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# FATS AND OILS Situation



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Table 1.--U.S. Fats and Oils Situation at a Glance

| Item                                        | Unit      | Marketing year   |                     | 1972    |         | 1973    |         |         |         |
|---------------------------------------------|-----------|------------------|---------------------|---------|---------|---------|---------|---------|---------|
|                                             |           | total or average |                     |         |         |         |         |         |         |
|                                             |           | 1970-71          | 1971-72 preliminary | April   | May     | Feb.    | March   | April   | May     |
| SOYBEANS (Year beg. Sept.)                  |           |                  |                     |         |         |         |         |         |         |
| U.S. average price received by farmers      | \$ bu.    | 2.85             | 3.03                | 3.37    | 3.35    | 5.49    | 6.05    | 6.14    | 8.27    |
| U.S. support price                          | \$ bu.    | 2.25             | 2.25                | 2.25    | 2.25    | 2.25    | 2.25    | 2.25    | 2.25    |
| Price, No. 1 yellow, Illinois points        | \$ bu.    | 3.00             | 3.24                | 3.47    | 3.47    | 5.66    | 6.18    | 6.59    | 8.96    |
| Price, No. 2 yellow, f.o.b., Gulf           | \$ bu.    | 3.19             | 3.45                | 3.65    | 3.68    | 6.43    | 6.86    | 6.92    | 9.55    |
| Price, No. 2 yellow, f.o.b., Baltimore      | \$ bu.    | 3.21             | 3.46                | 3.67    | 3.70    | 6.40    | 6.84    | 6.86    | 9.50    |
| Receipts at mills                           | Mill. bu. | 769.0            | 716.3               | 48.6    | 46.1    | 61.5    | 55.1    | 42.1    | 42.3    |
| Crushings                                   | Mill. bu. | 760.1            | 720.5               | 58.5    | 63.0    | 64.8    | 64.4    | 58.2    | 61.7    |
| Oil yield per bushel crushed                | lb.       | 10.83            | 10.98               | 11.05   | 11.09   | 10.44   | 10.53   | 10.62   | 10.63   |
| Meal yield per bushel crushed               | lb.       | 47.37            | 47.43               | 47.36   | 47.25   | 47.00   | 46.85   | 46.82   | 47.00   |
| Stocks at mills, end of month               | Mill. bu. | 42.3             | 38.1                | 114.6   | 97.7    | 133.3   | 124.0   | 107.9   | 88.5    |
| Exports                                     | Mill. bu. | 433.8            | 416.8               | 37.3    | 31.7    | 54.7    | 59.1    | 45.5    | 41.0    |
| SOYBEAN OIL (Year beg. Oct.)                |           |                  |                     |         |         |         |         |         |         |
| Production                                  | Mill. lb. | 8,264.7          | 7,891.5             | 646.7   | 698.8   | 676.8   | 680.8   | 618.3   | 655.8   |
| Domestic disappearance                      | Mill. lb. | 6,253.2          | 6,448.8             | 488.9   | 605.0   | 528.6   | 582.8   | 474.2   | 641.9   |
| Exports                                     | Mill. lb. | 1,742.3          | 1,388.4             | 84.2    | 94.8    | 127.9   | 142.7   | 58.2    | 115.2   |
| Stocks, end of month                        | Mill. lb. | 772.6            | 785.2               | 952.7   | 945.0   | 966.5   | 920.5   | 1,004.8 | 901.5   |
| Price, crude, Decatur                       | \$ lb.    | 12.8             | 11.3                | 11.9    | 11.4    | 13.0    | 13.9    | 15.0    | 17.1    |
| SOYBEAN MEAL (Year beg. Oct.)               |           |                  |                     |         |         |         |         |         |         |
| Production                                  | Thou. ton | 18,035.2         | 17,024.2            | 1,387.2 | 1,488.6 | 1,523.1 | 1,507.3 | 1,363.6 | 1,449.2 |
| Domestic disappearance                      | Thou. ton | 13,405.6         | 13,110.2            | 1,129.8 | 1,151.8 | 1,008.2 | 999.4   | 938.6   | 1,045.4 |
| Exports                                     | Thou. ton | 4,559.3          | 3,805.3             | 199.2   | 365.4   | 496.0   | 504.8   | 411.9   | 409.0   |
| Stocks at mills, end of month               | Thou. ton | 145.8            | 191.7               | 218.0   | 186.7   | 210.0   | 206.3   | 213.5   | 203.2   |
| Price, 44% protein, bulk, Decatur           | \$ ton    | 78.50            | 90.20               | 94.50   | 95.30   | 218.75  | 199.90  | 203.25  | 214.60  |
| Price, 49-50% protein, bulk, Decatur        | \$ ton    | 84.30            | 98.20               | 101.75  | 103.30  | 240.00  | 224.90  | 228.40  | 246.60  |
| COTTONSEED (Year beg. Aug.)                 |           |                  |                     |         |         |         |         |         |         |
| U.S. average price received by farmers      | \$ ton    | 56.50            | 56.80               | ---     | ---     | 51.90   | 53.80   | ---     | ---     |
| U.S. support price, basis grade             | \$ ton    | 37.00            | 1/                  | 1/      | 1/      | 1/      | 1/      | 1/      | 1/      |
| Receipts at mills                           | Thou. ton | 3,855.9          | 3,977.2             | 12.2    | 11.9    | 239.2   | 183.7   | 83.6    | 29.2    |
| Crushings                                   | Thou. ton | 3,728.5          | 3,959.9             | 344.2   | 298.0   | 479.8   | 522.0   | 449.6   | 427.8   |
| Stocks at mills, end of month               | Thou. ton | 217.8            | 235.0               | 899.9   | 613.8   | 2,199.8 | 1,861.5 | 1,495.5 | 1,096.9 |
| COTTONSEED OIL (Year beg. Aug.)             |           |                  |                     |         |         |         |         |         |         |
| Production                                  | Mill. lb. | 1,210.9          | 1,274.5             | 110.2   | 97.7    | 152.0   | 163.4   | 141.8   | 136.9   |
| Domestic disappearance                      | Mill. lb. | 898.6            | 815.3               | 62.3    | 95.9    | 71.6    | 110.8   | 92.9    | 60.3    |
| Exports                                     | Mill. lb. | 357.4            | 421.2               | 47.8    | 30.6    | 56.6    | 78.9    | 40.7    | 63.8    |
| Stocks, end of month                        | Mill. lb. | 167.2            | 203.9               | 294.8   | 266.0   | 239.1   | 212.7   | 220.6   | 233.3   |
| Price, crude, Valley                        | \$ lb.    | 14.7             | 13.2                | 12.7    | 12.4    | 13.9    | 14.2    | 15.3    | 17.3    |
| COMMERCIAL LARD (Year beg. Oct.)            |           |                  |                     |         |         |         |         |         |         |
| Production                                  | Mill. lb. | 2,018.0          | 1,645.6             | 138.5   | 146.1   | 96.0    | 113.0   | 100.0   | 127.0   |
| Domestic disappearance                      | Mill. lb. | 1,619.0          | 1,459.2             | 113.3   | 119.8   | 98.3    | 100.9   | 89.4    | 119.0   |
| Exports                                     | Mill. lb. | 329.4            | 170.8               | 8.5     | 11.6    | 4.9     | 7.2     | 10.7    | 5.3     |
| Shipments to U.S. Territories               | Mill. lb. | 52.7             | 49.0                | .2      | 5.8     | .5      | .1      | 2/      | 2.1     |
| Stocks, end of month                        | Mill. lb. | 76.9             | 44.0                | 80.7    | 89.6    | 44.5    | 49.3    | 49.1    | 49.6    |
| Price, loose, tanks, Chicago                | \$ lb.    | 11.1             | 10.4                | 10.5    | 10.4    | 10.5    | 14.5    | 15.0    | 16.1    |
| CREAMERY BUTTER (Year beg. Oct.)            |           |                  |                     |         |         |         |         |         |         |
| Production                                  | Mill. lb. | 1,148.2          | 1,128.6             | 110.2   | 119.4   | 84.4    | 90.6    | 93.7    | 100.3   |
| Domestic disappearance                      | Mill. lb. | 1,072.5          | 1,050.7             | 88.6    | 87.4    | 82.5    | 82.2    | 81.0    | 81.4    |
| Stocks, end of month, total                 | Mill. lb. | 222.0            | 178.4               | 128.5   | 159.1   | 109.5   | 115.6   | 125.8   | 142.9   |
| Stocks, end of month, CCC                   | Mill. lb. | 195.3            | 160.4               | 95.6    | 127.3   | 92.8    | 102.4   | 103.8   | 104.5   |
| Price, 92-score, Chicago                    | \$ lb.    | 58.9             | 68.2                | 67.7    | 67.7    | 67.7    | 64.2    | 61.6    | 61.0    |
| FLAXSEED (Year beg. July)                   |           |                  |                     |         |         |         |         |         |         |
| U.S. average price received by farmers      | \$ bu.    | 2.40             | 2.38                | 2.49    | 2.49    | 4.15    | 4.38    | 4.39    | 4.44    |
| U.S. support price, farm basis              | \$ bu.    | 2.50             | 2.50                | 2.50    | 2.50    | 2.50    | 2.50    | 2.50    | 2.50    |
| Price, No. 1, Minneapolis                   | \$ bu.    | 2.66             | 2.70                | 2.78    | 2.80    | 4.53    | 4.75    | 4.90    | 5.11    |
| Receipts at mills                           | Thou. bu. | 19,596           | 20,328              | 2,514   | 1,697   | 2,094   | 734     | 1,432   | 1,404   |
| Crushings                                   | Thou. bu. | 18,946           | 20,980              | 1,805   | 1,585   | 1,279   | 1,377   | 1,386   | 1,568   |
| Exports                                     | Thou. bu. | 3,331            | 1,904               | 487     | 303     | 35      | 52      | 1       | ---     |
| Stocks at mills, end of month               | Thou. bu. | 3,396            | 2,588               | 2,894   | 3,007   | 2,359   | 2,553   | 2,600   | 2,436   |
| LINSEED OIL (Year beg. July)                |           |                  |                     |         |         |         |         |         |         |
| Production                                  | Mill. lb. | 381.8            | 426.0               | 36.1    | 33.2    | 25.1    | 26.5    | 28.5    | 30.2    |
| Domestic disappearance                      | Mill. lb. | 253.8            | 286.7               | 12.2    | 22.9    | 11.2    | 37.0    | 38.6    | 22.9    |
| Exports                                     | Mill. lb. | 52.5             | 65.9                | 6.5     | 15.6    | 15.0    | 35.3    | 14.2    | 10.2    |
| Stocks, end of month                        | Mill. lb. | 203.8            | 276.6               | 280.9   | 275.3   | 224.1   | 177.3   | 153.0   | 150.0   |
| Price, raw, Minneapolis                     | \$ lb.    | 9.7              | 8.9                 | 8.8     | 8.8     | 9.5     | 9.5     | 9.5     | 9.5     |
| INEDIBLE TALLOW & GREASE (Year beg. Oct.)   |           |                  |                     |         |         |         |         |         |         |
| Production                                  | Mill. lb. | 5,251.7          | 5,095.3             | 387.1   | 454.5   | 435.4   | 437.8   | 353.6   | 424.4   |
| Domestic disappearance                      | Mill. lb. | 2,627.7          | 2,729.8             | 227.7   | 241.5   | 205.7   | 234.7   | 205.3   | 229.9   |
| Exports                                     | Mill. lb. | 2,589.9          | 2,446.6             | 172.2   | 229.1   | 180.7   | 231.6   | 178.2   | 200.7   |
| Stocks, end of month                        | Mill. lb. | 409.7            | 329.1               | 360.6   | 350.5   | 392.1   | 363.7   | 336.3   | 330.5   |
| Price, bleachable fancy, Chicago            | \$ lb.    | 8.1              | 6.8                 | 7.0     | 6.7     | 9.0     | 10.8    | 12.0    | 14.8    |
| COCONUT OIL (Calendar year's 1971 and 1972) |           |                  |                     |         |         |         |         |         |         |
| Production                                  | Mill. lb. | N.A.             | N.A.                | N.A.    | N.A.    | N.A.    | N.A.    | N.A.    | N.A.    |
| Imports                                     | Mill. lb. | 627.7            | 677.0               | 27.3    | 70.4    | 112.5   | 70.9    | 36.7    | 61.3    |
| Domestic disappearance                      | Mill. lb. | N.A.             | N.A.                | N.A.    | N.A.    | N.A.    | N.A.    | N.A.    | N.A.    |
| Stocks, end of month                        | Mill. lb. | 103.9            | 116.5               | 142.1   | 170.2   | 220.3   | 201.1   | 173.1   | 170.9   |
| Price, crude, Pacific Coast                 | \$ lb.    | 13.6             | 9.8                 | 10.7    | 10.1    | 13.1    | 14.5    | 16.9    | 20.0    |
| PALM OIL (Calendar year's 1971 and 1972)    |           |                  |                     |         |         |         |         |         |         |
| Imports                                     | Mill. lb. | 216.9            | 431.1               | 35.8    | 24.7    | 65.7    | 25.2    | 26.5    | 16.5    |
| Domestic disappearance                      | Mill. lb. | 213.2            | 442.1               | 40.3    | 26.4    | 47.7    | 32.6    | 55.0    | 33.0    |
| Stocks, end of month                        | Mill. lb. | 39.9             | 92.5                | 78.3    | 76.6    | 118.0   | 110.4   | 81.6    | 64.8    |
| Price, 16-18 ind. tanks, New York           | \$ lb.    | 13.3             | 10.6                | 11.8    | 11.3    | 9.8     | 9.8     | 9.8     | 9.8     |
| PEANUTS (Year beg. Aug.)                    |           |                  |                     |         |         |         |         |         |         |
| U.S. average price received by farmers      | \$ lb.    | 12.8             | 13.6                | ---     | ---     | ---     | ---     | ---     | ---     |
| U.S. support price - Farmers' stock basis   | \$ lb.    | 12.75            | 13.42               | 13.42   | 13.42   | 14.25   | 14.25   | 14.25   | 14.25   |
| Millings, all types, Farmers' stock basis   | Mill. lb. | 2,615.9          | 2,650.3             | 215.4   | 190.1   | 271.2   | 290.0   | 253.5   | 249.7   |
| Production of shelled edibles               | Mill. lb. | 1,373.1          | 1,385.6             | 110.5   | 87.0    | 138.6   | 151.8   | 128.0   | 125.2   |
| Total edible uses - shelled basis           | Mill. lb. | 1,065.3          | 1,087.1             | 90.2    | 86.6    | 100.8   | 92.7    | 104.7   | 104.7   |
| Crushings - shelled basis                   | Mill. lb. | 600.9            | 612.3               | 55.0    | 56.4    | 55.6    | 66.0    | 55.0    | 60.8    |
| Commercial stocks, end of month - FS        | Mill. lb. | 453.2            | 391.8               | 1,045.2 | 772.9   | 1,766.2 | 1,407.4 | 1,151.4 | 886.6   |
| CCC stocks, end of month - FS               | Mill. lb. | ---              | ---                 | ---     | ---     | 322.6   | 246.8   | 89.8    | 2.4     |
| PEANUT OIL (Year beg. Aug.)                 |           |                  |                     |         |         |         |         |         |         |
| Production                                  | Mill. lb. | 253.6            | 260.0               | 23.5    | 24.0    | 23.4    | 28.0    | 23.3    | 25.4    |
| Domestic disappearance                      | Mill. lb. | 193.1            | 194.7               | 14.5    | 18.5    | 14.2    | 9.8     | 14.1    | 11.5    |
| Exports                                     | Mill. lb. | 43.9             | 74.9                | .9      | 5.9     | 6.6     | 10.2    | 9.3     | 10.8    |
| Stocks, end of month                        | Mill. lb. | 41.8             | 32.1                | 32.4    | 32.0    | 24.6    | 32.5    | 32.5    | 35.5    |
| Price, crude, Southeast mills               | \$ lb.    | 17.1             | 17.0                | 18.4    | 18.0    | 18.7    | 18.0    | 18.6    | 20.0    |

1/ No support announced. N.A.--Not available. 2/ Less than 50,000 pounds.

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## SPECIAL ARTICLE

Conditional Market Forecasts and Implications  
for the U.S. Soybean Economy (Page 17). 7021

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## SUMMARY

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Larger planted acreage in 1973 could boost supplies of oilseeds and products in the season ahead. Output of soybeans, flaxseed, and peanuts may increase this year; cottonseed output could approach the 1972 level; but less safflower and sunflowerseed is likely.

Soybean supplies this summer are extremely tight, but some easing is possible for the 1973/74 marketing year. Based on early June data reported in July, soybean planted acreage in 1973 is a record 56.7 million acres, 5 percent above the March planting intentions and 21 percent above 1972. If yields are on trend, the 1973 soybean crop would be 1,588 million bushels, about a fourth above 1972. With carryover on September 1 forecast around 40 million bushels, total 1973/74 supplies would be 1,628 million bushels compared with 1,355 million for the season ending this summer.

A 1973 soybean crop of 1,588 million bushels probably would exceed the record anticipated domestic and export requirements of 1.5 billion bushels in 1973/74 and leave a carryover in the 125-million-bushel range on September 1, 1974. Because of the continuing strong demand for soybeans, prices received by farmers likely will average at least as

high as the record \$4.25 per bushel now estimated for the 1972/73 season. Most soybean farmers did not benefit from the sharp runup in prices this season because they sold their beans last fall at less than \$4 per bushel.

The 1973 cotton plantings are preliminarily placed at 13.1 million acres compared with 14.0 million in 1972. This may result in a cottonseed crop about 6 percent less than the 5.4 million tons of 1972. Flaxseed planted acreage at 1.7 million is up about 40 percent from 1972. Assuming normal yields, this will result in a crop of about 20 million bushels, up about 47 percent from the short 1972 crop. Safflower and sunflower acreages and production may be reduced somewhat this year but peanut production could increase. Taken as a whole for the 1973/74 marketing year, demand for most oilseeds and products, particularly meal, is expected to keep pressure on available supplies at prices well above historic averages.

Under the U.S. Department of Commerce export monitoring system initiated June 13 for soybeans, cottonseed, and their products, anticipated exports are required to be reported weekly. As of June 22,

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forward sales of soybeans for delivery in 1973/74 marketing year totaled 434 million bushels and soybean meal about 4.6 million short tons.

Because levels of soybean and soybean meal exports reported as being contracted for shipment this summer (92 million bushels and 2¼ million short tons of meal) were higher than expected, an embargo was imposed on exports of soybeans, cottonseed, and various oil and meal products from these commodities on June 27. Subsequently an export allocation for beans and meal for the balance of the 1972/73 marketing year was announced. Beginning July 2, validated licenses for exports are required for approximately 33 million bushels of soybeans, representing 50 percent of the volume of outstanding contracts for the remainder of the crop year. For soybean meal, the quantity available for export through September was determined to be 750,000 short tons—40 percent of the reported unshipped contracts. The objective of the export control system is to ensure adequate domestic supplies and reduce current domestic prices with a minimum disruption in foreign contracts. Including these allocations, soybean exports for the entire marketing year ending August 31, 1973, probably will total around 490 million bushels and soybean meal exports for the year ending September 30 will be about 4.7 million tons.

Total soybean usage for the season ending this summer will total 1.3 billion bushels, nearly a tenth above 1971/72. (See table 2). This is the fourth consecutive year in which utilization exceeds production. While crushings through June were running about 5 percent ahead of 1971/72 and exports were up 24 percent, the rates have slowed recently. As a matter of fact, the crush this summer (July-August) is expected to run 12 to 13 percent under 1972 while exports will be off a third due to tight supplies and export restrictions.

On July 5, the Secretary of Commerce announced that 41 additional agricultural commodities including oils, animal fats, and livestock protein feed were subject to export controls (See Announcement No. G 73-77 for list of commodities). The action to control exports of these commodities was necessitated by extremely strong demand and the controls previously imposed on the export of soybeans, soybean meal, cottonseed, and cottonseed meal. The unsatisfied foreign demand for these commodities had caused a substantial increase in demand for other sources of high-protein feeds and

edible oils. Whether controls will be necessary after new crop soybeans become available next fall will depend on the size of the crop, the level of export demand, and the level of U.S. prices.

Under an export-licensing system for the 41 commodities, shipment of all orders accepted before June 13 for export before October 1 will be allowed. Orders accepted after June 13 for export prior to October 1 will be subject to restriction. Export licenses will not be issued until a method of licensing such orders is announced subsequently. Orders accepted for export on or after October 1, 1973, will not be licensed until further notice.

Shipments which were in the process of being loaded or in transit to a port of export pursuant to actual export orders prior to 10:30 A.M. July 5, 1973, may be exported without a validated license if loaded on the exporting carrier on or before July 19, 1973.

The June 13 imposition of price ceilings on all retail and wholesale prices and the subsequent export regulations on soybeans, cottonseed, and various meal and oil products has reduced prices of these products, except oils, from unusually high early June levels.

Monthly average soybean prices (No. 1 yellow, Chicago) more than tripled from the seasonal low last fall of \$3.33 per bushel to a high of \$11 in June. Cash prices on July 10, however, were down to around \$6.15 per bushel. Soybean meal prices (44% protein, Decatur) skyrocketed from about \$110 per ton last October to \$390 in June. On July 10 the cash price was around \$205. Soybean oil prices (crude, Decatur) doubled from less than 10 cents a pound last fall to 19 cents in June—the highest in over 20 years. Prices on July 10, however, were still at 19½ cents.

The high soybean and soybean meal prices this year reflect strong world demand for protein meal, shrinking soybean supplies, the shortage of fish meal, weather-delayed new-crop plantings, devaluation of the dollar, and accelerating inflation.

Prices during late summer and fall will be influenced by stabilization programs adopted under Phase IV, existing export restrictions, results of the 1973 U.S. harvests, and the outlook for world supplies of and demand for oilseeds, protein meals and other competitive commodities.

According to trade sources, Peru may have to delay the resumption of anchovy fishing, currently scheduled for October, until March 1974. Peruvian scientists are estimating the Peruvian fish potential at 3 million to 4 million tons.

Table 2.--Soybean Acreage, Supply and Disposition, 1971-73

| Item                | Unit      | 1971/72      | 1972/73 <u>1/</u> | 1973/74 <u>2/</u> |
|---------------------|-----------|--------------|-------------------|-------------------|
| <u>Acreage:</u>     |           |              |                   |                   |
| Planted             | mil. acre | 43.5         | 47.0              | 56.7              |
| Harvested           | " "       | 42.7         | 45.8              | 55.7              |
| Yield per acre      | bu.       | 27.5         | 28.0              | 28.5              |
| <u>Supply:</u>      |           |              |                   |                   |
| Stocks, Sept. 1     | mil. bu.  | 99           | 72                | 40                |
| Production          | " "       | <u>1,176</u> | <u>1,283</u>      | <u>1,583</u>      |
| Total               | " "       | <u>1,275</u> | <u>1,355</u>      | <u>1,623</u>      |
| <u>Disposition:</u> |           |              |                   |                   |
| Crushings           | " "       | 721          | 735               |                   |
| Exports             | " "       | 417          | 490               |                   |
| Seed, Feed, etc.    | " "       | 65           | 90                |                   |
| Total               | " "       | <u>1,203</u> | <u>1,315</u>      | <u>1,500</u>      |

## Soybean Oil Supply and Disposition

| Item                    | 1971/72      | 1972/73 <u>1/</u>     | 1973/74 <u>2/</u> |
|-------------------------|--------------|-----------------------|-------------------|
|                         |              | <u>Million pounds</u> |                   |
| <u>Supply:</u>          |              |                       |                   |
| Stocks, Oct. 1          | 773          | 785                   | 525               |
| Production              | <u>7,892</u> | <u>3/7,685</u>        |                   |
| Total                   | <u>8,665</u> | <u>8,470</u>          |                   |
| <u>Disposition:</u>     |              |                       |                   |
| Domestic Use            | 6,449        | 6,725                 |                   |
| Exports                 | 1,388        | 1,200                 |                   |
| Shipments to U.S. Terr. | <u>42</u>    | <u>20</u>             |                   |
| Total                   | <u>7,879</u> | <u>7,945</u>          |                   |

## Soybean Meal Supply and Disposition

| Item                    | 1971/72       | 1972/73 <u>1/</u>          | 1973/74 <u>2/</u> |
|-------------------------|---------------|----------------------------|-------------------|
|                         |               | <u>Thousand short tons</u> |                   |
| <u>Supply:</u>          |               |                            |                   |
| Stocks, Oct. 1          | 146           | 192                        | 167               |
| Production              | <u>17,024</u> | <u>4/17,000</u>            |                   |
| Total                   | <u>17,170</u> | <u>17,192</u>              |                   |
| <u>Disposition:</u>     |               |                            |                   |
| Domestic Use            | 13,110        | 12,270                     |                   |
| Exports                 | 3,805         | 4,700                      |                   |
| Shipments to U.S. Terr. | <u>63</u>     | <u>55</u>                  |                   |
| Total                   | <u>16,978</u> | <u>17,025</u>              |                   |

1/ Preliminary. 2/ Based on trend yields. 3/ 725 million bushels of soybeans crushed yielding 10.6 pounds of oil per bushel. 4/ 725 million bushels of soybeans crushed yielding 47 pounds of meal per bushel.

## USSR Developing New Protein Sources

The Soviet Union is attempting to boost the protein content of some of its feed crops through breeding programs. One is a lupine called the Kievskiy Mutant, which, in experimental plots in the northern Ukraine, is said to have produced a green forage ranging up to three-fourths more protein than other varieties and a seed output generally ranging from three to five times as great.

The seeds of most varieties of lupine are toxic to animals because of the presence of alkaloids, although some yellow and blue sweet lupines have little or no toxicity. However, the new lupine may prove to be a valuable source of feed protein in the USSR.

## Food Fats From Tallow

Cocoa butter has long been a desirable but expensive confectionery fat. An economical substitute may be in the offing: tallow or beef fat, a commodity in abundant supply.

Certain solvents, like acetone, were used to separate the tallow into usable fractions. At room temperature, these fractions range from a hard solid to a liquid. Between these two extremes lies a plastic solid fraction. The pliability of the plastic can be varied widely by the amount of the other fractions included with it.

Although the plastic solid fraction appears to be the most valuable, the liquid fraction has properties that suggest usefulness as a cooking or salad oil. Scientists are also experimenting with a blending of the hard solid and liquid fractions to make plastic shortenings or margarine-like products. The hard solid fraction could even be blended with another oil.

## New Soybean Variety Resists Lodging

Wells, a new high yielding, early maturing soybean variety, resists lodging. Lodging can be a barrier to increased soybean yields in highly productive environments. Increasing soil fertility, and irrigation and using other practices to improve yields normally increases lodging.

## USDA Funds Research on Soybean Pest

U.S. Department of Agriculture awarded a research grant of \$55,000 to study control of the Mexican bean beetle in soybeans. The grant was awarded on a competitive basis to the Maryland Agricultural Experiment Station, College Park, by the Cooperative State Research Service.

The Mexican bean beetle has become the most damaging soybean insect in the Mid-Atlantic and Southeastern regions of the United States.

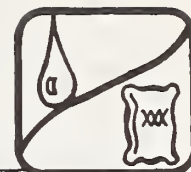
## Flavor Stability Problems in Soybean Oil

Mature soybeans can be damaged, in the field or in storage, by high moisture levels and warm temperatures. Unfavorable weather over much of the nation during the 1972 harvest season may have heightened the flavor problems.

USDA chemists and engineers discovered that flavor stability problems in food oil from damaged soybeans can be dealt with effectively by combining several treatments, each of which is practiced in the oil processing industry. These commercially feasible treatments include carbon bleaching, hydrogenation-winterization and high-temperature deodorization.

From USDA

# FATS AND OILS SITUATION



## SITUATION AND OUTLOOK

### SOYBEANS

#### 1973 Planted Acreage Up 21%

Based on early June data reported in July, 1973 planted soybean acreage is a record 56.7 million acres, 5% above the March planting intentions and 21% above the 47 million planted in 1972. This is the 14th consecutive year of record plantings and this year's increase is more than 2½ times the previous record. All States have expanded plantings. Producers plan to harvest 55.7 million acres for beans this year.

If yields are near trend, the 1973 soybean crop would total 1,588 million bushels, up almost a fourth from 1972. A crop of this size probably would be ample to fulfill the anticipated record requirements in 1973/74 and should provide some addition to this September's extremely small carryover of about 40 million bushels.

Demand for soybeans is expected to continue strong, and unless curtailed by export controls, total usage likely will be around 1.5 billion bushels. This could leave a carryover on September 1, 1974 in the 125-million-bushel range. Prices to farmers would continue strong, likely averaging at least as high as the record \$4.25 per bushel now estimated for the 1972/73 season. Many farmers did not benefit from the precipitous run-up in soybean prices in recent months as many sold their crop early in the season at prices below \$4 per bushel.

#### Speculation Subsidies

The imposition June 13 of price ceilings on all retail and wholesale prices and the subsequent export restrictions on soybeans, cottonseed and various oil and meal products have cooled the wild bull market in soybeans and products that raged in recent months. Also the Chicago Board of Trade has limited trading on old-crop soybeans to liquidation of outstanding contracts unless a new seller has the commodities to deliver.

The freeze will prevent prices of processed fats, oils, and oilseed meals from exceeding early June levels through mid-August, or earlier if Phase IV begins before then. Prices during late summer and fall will be influenced by stabilization programs adopted under Phase IV, existing export restrictions, size of

the 1973 U.S. harvests, and the outlook for world supplies of and demand for oilseed and other competitive commodities.

On June 27, the Secretary of Commerce imposed an embargo on the export of soybeans, cottonseed, and various meal and oil products from these commodities because of the large volumes that were scheduled for export. Based on reports from exporters, undelivered export sales as of June 22 were as follows for the listed oilseeds and products:

| Commodity                                      | Contracted and Anticipated Exports in Marketing Year |         |         |
|------------------------------------------------|------------------------------------------------------|---------|---------|
|                                                | 1972/73 <sup>1</sup>                                 | 1973/74 | 1974/75 |
|                                                | 1,000 metric tons                                    |         |         |
| Soybeans . . . . .                             | 2,403                                                | 11,802  | 426     |
| Soybean cake and meal . . . .                  | 2,056                                                | 4,158   | 1       |
| Cottonseed, cottonseed cake and meal . . . . . | 20                                                   | 4       | -0-     |

<sup>1</sup> Remainder of year.

USDA plans to release summary data each week as reported by U.S. exporters under Export Control Bulletin 84(a) as part of a cooperative arrangement with the Department of Commerce.

Controls were imposed because of the extremely tight supply situation in these commodities until the 1973 soybean crop is harvested. Whether restrictions will be necessary after that time will depend on the amount of the harvest, the export demand, and prices in the United States.

The embargo was lifted on July 2 and replaced by a licensing procedure for exports. A validated license is required for exports of all soybeans, soybean cake and meal, cottonseed, and cottonseed cake and meal. The embargo for soybean oil and cottonseed oil was terminated, but the export reporting requirement remains in effect.

For soybeans and soybean meal, the Commerce Department established allocation percentages for export licensing consistent with available export supplies and domestic requirements. Licenses for these commodities will be issued on a contract-by-contract basis. Each contract for soybean exports will be reduced to 50% of the quantity originally scheduled for delivery (after adjustments to reflect

Table 3.--Soybean, soybean meal, and cottonseed meal: Anticipated exports by regional destination and marketing year, based on undelivered export sales as of June 22, 1973\*

SOYBEANS

| Destination                      | 1972-73 <sup>1/</sup> |          | 1973-74  |          | 1974-75  |          |
|----------------------------------|-----------------------|----------|----------|----------|----------|----------|
|                                  | 1,000 MT              | Mil. Bu. | 1,000 MT | Mil. Bu. | 1,000 MT | Mil. Bu. |
| European Community <sup>2/</sup> | 564.6                 | 20.7     | 4,249.6  | 156.1    | 153.3    | 5.6      |
| Other West Europe                | -0-                   | -0-      | 791.1    | 29.1     | 27.2     | 1.0      |
| Eastern Europe                   | -0-                   | -0-      | -0-      | -0-      | -0-      | -0-      |
| U.S.S.R.                         | -0-                   | -0-      | -0-      | -0-      | -0-      | -0-      |
| Peoples Republic of China        | -0-                   | -0-      | 500.0    | 18.4     | -0-      | -0-      |
| India                            | -0-                   | -0-      | -0-      | -0-      | -0-      | -0-      |
| Other Asia and Oceania           | 818.4                 | 30.1     | 1,821.5  | 66.9     | 95.1     | 3.5      |
| Africa                           | -0-                   | -0-      | -0-      | -0-      | -0-      | -0-      |
| Western Hemisphere               | 23.5                  | 0.9      | 110.0    | 4.0      | 10.0     | 0.4      |
| Unidentified                     | 996.3                 | 36.6     | 4,330.2  | 159.1    | 140.0    | 5.1      |
| Total                            | 2,402.8               | 88.3     | 11,802.4 | 433.6    | 425.6    | 15.6     |

SOYBEAN CAKE/MEAL

| Destination                      | 1972-73 <sup>1/</sup> |  | 1973-74  |  | 1974-75  |  |
|----------------------------------|-----------------------|--|----------|--|----------|--|
|                                  | 1,000 MT              |  | 1,000 MT |  | 1,000 MT |  |
| European Community <sup>2/</sup> | 443.0                 |  | 631.8    |  | -0-      |  |
| Other West Europe                | 36.5                  |  | 18.1     |  | -0-      |  |
| Eastern Europe                   | 39.8                  |  | -0-      |  | -0-      |  |
| U.S.S.R.                         | -0-                   |  | -0-      |  | -0-      |  |
| Peoples Republic of China        | -0-                   |  | -0-      |  | -0-      |  |
| India                            | -0-                   |  | -0-      |  | -0-      |  |
| Other Asia and Oceania           | 30.0                  |  | 151.2    |  | -0-      |  |
| Africa                           | 1.0                   |  | 2.0      |  | -0-      |  |
| Western Hemisphere               | 40.7                  |  | 13.1     |  | 1.0      |  |
| Unidentified                     | 1,465.2               |  | 3,341.8  |  | -0-      |  |
| Total                            | 2,056.2               |  | 4,158.0  |  | 1.0      |  |

COTTONSEED CAKE/MEAL

| Destination                      | 1972-73 <sup>1/</sup> |  | 1973-74  |  | 1974-75  |  |
|----------------------------------|-----------------------|--|----------|--|----------|--|
|                                  | 1,000 MT              |  | 1,000 MT |  | 1,000 MT |  |
| European Community <sup>2/</sup> | 5.0                   |  | -0-      |  | -0-      |  |
| Other West Europe                | -0-                   |  | -0-      |  | -0-      |  |
| Eastern Europe                   | 1.0                   |  | -0-      |  | -0-      |  |
| U.S.S.R.                         | -0-                   |  | -0-      |  | -0-      |  |
| Peoples Republic of China        | -0-                   |  | -0-      |  | -0-      |  |
| India                            | -0-                   |  | -0-      |  | -0-      |  |
| Other Asia and Oceania           | 0.6                   |  | 1.6      |  | -0-      |  |
| Africa                           | 3.0                   |  | -0-      |  | -0-      |  |
| Western Hemisphere               | 6.7                   |  | -0-      |  | -0-      |  |
| Unidentified                     | 3.3                   |  | 2.0      |  | -0-      |  |
| Total                            | 19.6                  |  | 3.6      |  | -0-      |  |

<sup>1/</sup> Covers the period from June 22, 1973, until the end of the current marketing year--soybeans Sept. 1 to Aug. 31, soybean meal October 1 to Sept. 30, and cottonseed Aug. 1 to July 31.

<sup>2/</sup> Belgium-Luxembourg, Denmark, France, Germany, Ireland, Italy, Netherlands, and United Kingdom.

\* Information obtained from reports filed with the U.S. Department of Commerce as required by Export Control Bulletin 84 (a) and released by the USDA as part of a cooperative agreement between the two departments.

shipments made between June 13 and the application of the embargo on June 27). Allocation for export under this procedure totals 33 million bushels of soybeans. For soybean meal the quantity available for export was determined to be 750,000 short tons—40% of the reported unshipped contracts. Licenses for soybeans will expire on September 15 and for soybean meal on October 15.

Licenses for cottonseed and cottonseed cake and meal will be issued for the full quantity of the unshipped balance of the contracts in force as of June 13. Licenses for cottonseed will be valid through August 15, and for cottonseed meal through October 15.

Prior to these actions, prices of soybeans had increased at an unbelievable rate. Influential factors included strong worldwide demand for protein meal, dwindling soybean supplies, anxiety over new-crop plantings, devaluation of the dollar, and accelerated inflation. Farm prices advanced from \$3.13 per bushel last October to \$10.00 in June, more than a threefold increase. Although prices are expected to continue strong over the balance of the current marketing year, the speculation has been cooled. Farm prices during the 1972/73 marketing year are expected to average \$4.25 per bushel (weighted by marketings)—well above the \$3.03 of last season and the previous record of \$3.33 set in 1947/48.

#### Bare Minimum Carryover Expected

With usage exceeding production again for the fourth consecutive season, carryover on September 1 will be down to minimum levels or somewhere near 40 million bushels. Stocks on last September 1 totaled 72 million bushels—not a large amount considering the size of the soybean industry and the expanding use. The small carryover expected this September will be barely enough for 2 weeks of use. In the event of a late harvest this fall, the soybean industry would face a real crunch until new-crop soybeans become available. Typically, new-crop soybeans begin entering marketing channels in mid-September but do not reach peak momentum until October. With last fall's unusually slow harvest still a fresh memory, farmers and traders will be closely watching crop developments this summer and fall.

#### Crushing Rate Slackens

During September-June, soybean crushings totaled an estimated 632 million bushels, about 5% above this period a year ago. This is equal to a monthly average rate of about 63 million bushels, up from 60 million last year but below the previous record of 64 million crushed in September-June 1970/71. However, the crushing rate has slowed lately, reflecting the very limited supplies of soybeans remaining, high soybean prices, and

shrinking crushing margins, especially following imposition of the price freeze on processed products. The crush this summer (July-August) is expected to run 12 to 13 percent below a year ago. For the entire 1972/73 season, crushings are estimated around 735 million bushels, about 2% above the previous season.

Soybean crushings

| Month               | 1971/72                | 1972/73                | Change from previous year |
|---------------------|------------------------|------------------------|---------------------------|
|                     | <i>Million bushels</i> | <i>Million bushels</i> | <i>Million bushels</i>    |
| September . . . . . | 54.5                   | 52.2                   | -2.3                      |
| October . . . . .   | 59.5                   | 66.8                   | 7.3                       |
| November . . . . .  | 59.8                   | 70.7                   | 10.9                      |
| December . . . . .  | 64.0                   | 69.2                   | 5.2                       |
| January . . . . .   | 63.9                   | 70.6                   | 6.7                       |
| February . . . . .  | 60.2                   | 64.8                   | 4.6                       |
| March . . . . .     | 63.9                   | 64.4                   | 0.5                       |
| April . . . . .     | 58.5                   | 58.2                   | -0.3                      |
| May . . . . .       | 63.0                   | 61.7                   | -1.3                      |
| June . . . . .      | 57.1                   | <sup>1</sup> 53        | -4                        |
| July . . . . .      | 58.2                   | <sup>1</sup> 53        | -5                        |
| August . . . . .    | 57.9                   | <sup>1</sup> 50        | -8                        |
| Year . . . . .      | 720.5                  | <sup>1</sup> 735       | 15                        |

<sup>1</sup> Estimate

Product yields from processed soybeans still trail those of last season. The yield of oil per bushel of soybeans has been averaging 10.6 pounds, compared with 10.9 pounds a year ago. Soybean meal yields are averaging 46.9 pounds, compared with 47.4 pounds previously. The wet weather last fall and winter damaged the soybean crop and forced many farmers to harvest beans with a high moisture content.

Processing margins are down from earlier in the season. During September-May they had averaged 40 cents per bushel (as measured by spot prices for soybeans, oil, and meal at Decatur). Margins declined from a high of \$1.07 in January to negative levels in March-April but were up to 25 cents in May. During September-May a year ago they averaged 10 cents per bushel. Record 54-cent season average margins were set in 1946/47.

#### Record Export Movement

Boosted by a worldwide shortage of high protein feeds, expanding demand, and enhanced purchasing power resulting from devaluation of the dollar and other currency floats, overseas movement of soybeans this marketing year is at record levels. Soybeans inspected for export through July 6 totaled 453 million bushels, compared with 366 million for this period last season. Volume is up to Western Europe and Japan, our two major markets. Also, the 40 million bushels sold to the USSR last August boosted the rate this season.

The strong export pace this season, uncertainty over remaining supply, and the high soybean prices necessitated the export restrictions. According to reports from exporters, undelivered soybean export sales as of June 13 totaled 2.5 million metric tons (92 million bushels). These data indicated an export volume for the season of over 500 million bushels, a level which would have exhausted the entire soybean supply.

Total exports for the season are estimated around 490 million bushels, about 18% above 1971/72.

**Soybean Exports<sup>1</sup>**

| Month               | 1971/72                | 1972/73                | Change from previous year |
|---------------------|------------------------|------------------------|---------------------------|
|                     | <i>Million bushels</i> | <i>Million bushels</i> | <i>Million bushels</i>    |
| September . . . . . | 29.2                   | 15.0                   | -14.2                     |
| October . . . . .   | 29.4                   | 54.3                   | 24.9                      |
| November . . . . .  | 47.4                   | 61.2                   | 13.8                      |
| December . . . . .  | 50.3                   | 49.5                   | -0.8                      |
| January . . . . .   | 42.4                   | 47.7                   | 5.3                       |
| February . . . . .  | 35.5                   | 54.7                   | 19.2                      |
| March . . . . .     | 31.3                   | 59.1                   | 27.8                      |
| April . . . . .     | 37.3                   | 45.5                   | 8.2                       |
| May . . . . .       | 31.7                   | 41.0                   | 9.3                       |
| June . . . . .      | 31.1                   | <sup>2</sup> 27        | -4                        |
| July . . . . .      | 26.3                   | <sup>2</sup> 20        | -6                        |
| August . . . . .    | 24.9                   | <sup>2</sup> 15        | -10                       |
| Year . . . . .      | 416.8                  | <sup>2</sup> 490       | 73                        |

<sup>1</sup> Census data. <sup>2</sup> Estimate.

## SOYBEAN OIL

### Domestic Use Up Sharply

Soybean oil supplies for the year ending September 30 are placed at 8.5 billion pounds, about 2% below 1971/72.

Domestic use so far this season is record large, totaling 4.6 billion pounds during October-May, about 0.3 billion above the same period last season. Major factors behind this increase include smaller lard supplies, delayed crushing of the 1972 cottonseed crop, and increasing per capita consumption of edible oils. Total use for the season is estimated at 6.7 billion pounds, up about 4 from a year ago.

Use likely will taper off for the rest of the marketing year, probably totaling close to the 2.1 billion pounds of last June-September. Tightening soybean oil supplies and sharply higher prices, coupled with greater cottonseed oil supplies stemming from increased cottonseed crushings, will tend to limit soybean oil usage. Other factors which may serve to curtail use include larger coconut oil imports.

### Export Volume Down

During October-May, soybean oil exports totaled 767 million pounds, about a tenth below the same

period last season. USDA suspended exports of vegetable oils under the Commodity Credit Corporation (CCC) Export Credit Sales Program and the Barter Program on April 6. At the same time, it announced curtailment of the quantities of vegetable oils to be programmed under Titles I and II of P.L. 480. The actions were taken as a result of the tightening supply and market conditions and sharp increases in vegetable oil prices in February and March. Exports for the entire season will total about 1.2 billion pounds, down sharply from the 1.4 billion of the previous year.

### Prices Surge

Soybean oil prices (crude, Decatur) during October-January were stable, averaging just a little under 10 cents per pound. In early February they began a sharp advance. Prices in May averaged 17 cents per pound and reached a peak of 19.3 cents per pound in June—the highest in over 20 years. Prices this summer will be influenced by developments of the 1973 soybean crop, the export restrictions, and Phase IV stabilization regulations.

Factors behind this strong price pattern included the heavy domestic disappearance of soybean oil, smaller lard supplies, effects of devaluation of the dollar, declining soybean stocks, and realization that domestic stocks of vegetable oils were getting tight.

## SOYBEAN MEAL

### Prices Extremely High

A world shortage of high-protein meals and strong demand sent soybean meal prices (44% protein, bulk, Decatur) from about \$110 per ton last October to a high of \$389 in June. Following imposition of price ceilings and the export restrictions, they weakened and were around \$205 on July 10. As with oil, prices over the balance of the season will be affected by 1973 soybean crop developments and the new Government regulations.

Soybean meal supplies for the marketing year ending September 30 total 17.2 million tons, about the same as last season.

Domestic use likely will total around 12.3 million tons, about 6% below last year. During October-May, use totaled 8.7 million tons, a little below this period last season. Monthly use was strong early in the marketing year but fell below year-earlier levels during January-May. Through the balance of the current season it will average well below the 1.1 million tons of last June-September. The extremely high prices and tight supplies are primary factors limiting use this year.

Reports by exporters to the Department of Commerce revealed that as of June 13 undelivered

export sales of soybean meal totaled 2.0 million metric tons for the balance of the 1972/73 marketing year and 4.1 million tons for 1973/74. The volume was much larger than anticipated and necessitated imposition of the embargo on soybean meal.

On July 2, Commerce announced a 750,000 ton export quota on soybean meal for the balance of the 1972/73 marketing year. Licenses will be issued on a contract-by-contract basis. Each contract for soybean meal will be reduced to 40% of the adjusted original undelivered quantity as of June 13. Licenses will expire on October 15.

Exports through May totaled 3.6 million tons. Thus, exports for the season are estimated at about 4.7 million tons, nearly a fourth above 1971/72. Exports are up to Western Europe, Eastern Europe, and Japan.

The strong export pattern this year is due primarily to smaller Peruvian fish meal supplies because of poor catch. Last fall the Peruvian Government banned fishing until March 1973. During calendar 1972 the fish catch totaled a little over 4 million tons, equivalent to 800,000 tons of fish meal, not quite half the average of recent years. Operations in March-April 1973 were disappointing, and in late April further fishing was discontinued until next October. According to latest trade reports, Peru may have to delay the resumption of anchovy fishing, currently scheduled for October, until March 1974. In recent years, Peru has exported around 2 million tons of fish meal. In terms of protein this would be equivalent to 134 million bushels of soybeans.

The Brazilian soybean crop is up 30%. This crop is now being harvested and crushed, implying an increase of about 800,000 tons in soybean meal world availabilities over last year. This supply could help bridge the shortage in world protein supplies until additional quantities of U.S. soybean meal become available.

## Export Controls Expanded

Effective July 5, 1973, the Secretary of Commerce placed export controls on 41 additional agricultural commodities which included edible oils, animal fats, and various livestock protein feeds. The specific commodities listed were:

## Census Schedule

| B No.    | Commodity                                 |
|----------|-------------------------------------------|
| 081.2015 | Corn gluten feed                          |
| 081.3040 | Linseed oil-cake and meal                 |
| 081.3050 | Sunflower and safflower oil-cake and meal |
|          | Peanut Meal                               |
|          | Peanut oil-cake                           |
| 081.4020 | Meal meal and tankage                     |

|          |                                                                                                                                                                                                                 |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 081.4040 | Fish meal                                                                                                                                                                                                       |
| 081.9910 | Feather meal                                                                                                                                                                                                    |
| 081.9920 | Poultry feeds, prepared <sup>1</sup>                                                                                                                                                                            |
| 081.9930 | Dairy cattle feeds, prepared <sup>1</sup>                                                                                                                                                                       |
| 081.9940 | Livestock feeds (except dairy cattle) including supplements, prepared <sup>1</sup>                                                                                                                              |
| 081.9960 | Alfalfa meal, dehydrated <sup>1</sup>                                                                                                                                                                           |
| 081.9970 | Alfalfa meal, sun-cured <sup>1</sup>                                                                                                                                                                            |
| 091.3010 | Lard and other rendered pig fat, except grease <sup>1</sup>                                                                                                                                                     |
| 091.3020 | Choice white grease <sup>1</sup>                                                                                                                                                                                |
| 221.0510 | Safflowerseed                                                                                                                                                                                                   |
| 221.0520 | Sunflowerseed                                                                                                                                                                                                   |
| 221.1010 | Peanuts (groundnuts), shelled, green                                                                                                                                                                            |
| 221.1020 | Peanuts (groundnuts), unshelled, green                                                                                                                                                                          |
| 221.5000 | Flaxseed (linseed)                                                                                                                                                                                              |
| 291.0075 | Bone meal                                                                                                                                                                                                       |
| 291.0090 | Blood flour and blood meal                                                                                                                                                                                      |
| 411.3210 | Tallow, edible                                                                                                                                                                                                  |
| 411.3220 | Tallow, inedible                                                                                                                                                                                                |
| 421.2010 | Soybean oil, crude, including degummed <sup>1</sup>                                                                                                                                                             |
| 421.2020 | Soybean oil, once-refined <sup>1</sup>                                                                                                                                                                          |
| 421.2040 | Soybean salad oil, refined and further processed by bleaching, deodorizing, or winterizing (except hydrogenated), not donated for relief or charity by individuals or private agencies. <sup>1</sup>            |
| 421.3010 | Cottonseed oil, crude <sup>1</sup>                                                                                                                                                                              |
| 421.3020 | Cottonseed oil, once-refined <sup>1</sup>                                                                                                                                                                       |
| 421.3040 | Cottonseed salad oil, refined and further processed by bleaching, deodorizing, or winterizing (except hydrogenated), not donated for relief or charity by individuals or private agencies <sup>1</sup>          |
| 421.4010 | Peanut oil, crude <sup>1</sup>                                                                                                                                                                                  |
| 421.4020 | Peanut oil, except crude or hydrogenated <sup>1</sup>                                                                                                                                                           |
| 421.8010 | Sunflowerseed oil, crude <sup>1</sup>                                                                                                                                                                           |
| 421.8020 | Sunflowerseed oil, once-refined, (after alkali or caustic wash, but before bleaching, deodorization, or winterization) <sup>1</sup>                                                                             |
| 421.8040 | Sunflowerseed oil, including all mixed or blended soft salad oils, bleached, deodorized, or winterized (except hydrogenated), not donated for relief or charity by individuals or private agencies <sup>1</sup> |
| 422.1000 | Linseed oil, raw <sup>1</sup>                                                                                                                                                                                   |
| 431.1010 | Linseed oil, boiled, oxidized, dehydrated, sulphurized, blown, or polymerized <sup>1</sup>                                                                                                                      |

See footnote on next page.

|          |                                                                  |
|----------|------------------------------------------------------------------|
| 422.9020 | Corn oil <sup>1</sup>                                            |
| 422.9030 | Safflowerseed oil, fixed <sup>1</sup>                            |
| 431.2010 | Soybean oil, hydrogenated                                        |
| 431.2020 | Cottonseed oil, hydrogenated                                     |
| 431.2030 | Cottonseed and soybean oil mixture,<br>hydrogenated <sup>1</sup> |
|          | Corn oil, hydrogenated <sup>1</sup>                              |
|          | Fish oil, hydrogenated <sup>1</sup>                              |
|          | Maize oil, hydrogenated <sup>1</sup>                             |
|          | Peanut oil, hydrogenated <sup>1</sup>                            |
| 512.0965 | Soybean lecithin                                                 |

None of the above listed commodities may be exported without a validated license from the Department of Commerce's Office of Export Control. Licenses will be granted in accordance with the following procedure:

- (1) Orders accepted on or before June 13, 1973, for export prior to October 1, 1973, will be licensed to the extent of 100% of the unfilled balance of the order.
- (2) Orders accepted after June 13, 1973, for export prior to October 1, will not be licensed until further notice. The method of licensing such orders is still to be announced.
- (3) Orders accepted for export on or after October 1, 1973, will not be licensed until further notice.

Shipments which prior to 10:30 A.M. July 5, 1973, were in the process of being loaded or in transit to a port of export pursuant to actual export orders may be exported without a validated license if loaded on the exporting carrier on or before July 19, 1973.

The action to control these commodities was necessitated by the strong demand for high-protein animal feeds and edible and inedible fats and oils, particularly soybean meal and soybean oil. Because of substitutability of demand, the Secretary of Agriculture had determined that the supply of the above listed commodities would not be adequate to meet domestic requirements until soybeans become available from the 1973 crop. Whether controls will be necessary after that time will depend on the amount of the harvest, the level of export demand, and the level of U.S. prices.

This action modified the decision of July 2, 1973, which stated that various soybean and cottonseed oils would no longer require validated licenses.

Complete regulations regarding these validated licensing requirements is contained in Export Control Bulletin No. 90, available from the U.S. Department of Commerce. A copy of this Bulletin was printed in the Federal Register of July 6, 1973.

<sup>1</sup>The licensing requirement not applicable to single shipments of \$2.50 or less.

## COTTONSEED

### Crushings Up Sharply

Through May, oil millers purchased 5.1 million tons of cottonseed, about 94% of the 1972 crop. This ratio is slightly above this period a year ago. Crushings for the marketing year ending July 31 are estimated at 5.2 million tons, about a third above the previous year. So far, 4.3 million tons have been crushed, about a fifth above last year. Because of the late crop, crushings are a little behind normal. About 1.1 million tons of cottonseed still remain to be processed.

## COTTONSEED OIL

### Domestic Use and Exports Up

Cottonseed oil supplies during 1972/73 total 1.8 billion pounds, about 30% above a year ago. Sharply increased production mostly accounts for the gain, although starting stocks last August 1 also were larger.

Domestic use for the season is estimated at 1 billion pounds, up substantially from last season's record low of 0.8 billion pounds. Through May usage totaled 813 million pounds, compared with 707 million a year ago. Larger supplies are a factor in the increased use this season.

Exports also are larger. Through May they totaled 492 million pounds, compared with 337 million at this time last year. However, the export controls now in effect probably will curtail volume for the balance of the current marketing year and hold exports for the season to about 600 million pounds, compared with 422 million last year.

Cottonseed oil prices (crude, Valley) rose from 10 cents per pound last October to a high of 19½ cents in June. Prices for the rest of the marketing year will be strongly influenced by the 1973 soybean crop, the current price freeze and Phase IV regulations. The strong prices this season reflect the firm price structure for all major food fats and the good demand for cottonseed oil. Despite a nearly 30% increase in supplies, brisk usage is keeping stocks below year-earlier levels. Stocks on June 1 totaled 233 million pounds, compared with 266 million last June 1.

## COTTONSEED MEAL

### Prices Doubled

Cottonseed meal supplies total 2.5 million tons, about a third above last season. The increase is due entirely to the larger production.

Domestic disappearance is estimated at 2.3 million tons, compared with 1.8 million in 1971/72. Through

Table 4.--Food fats and oils: Supply, disposition, and per capita disappearance, 1963-72

| Item                                        | Year beginning October |        |        |        |        |        |        |        |            |            |
|---------------------------------------------|------------------------|--------|--------|--------|--------|--------|--------|--------|------------|------------|
|                                             | 1963                   | 1964   | 1965   | 1966   | 1967   | 1968   | 1969   | 1970   | 1971<br>1/ | 1972<br>2/ |
| -- Million pounds --                        |                        |        |        |        |        |        |        |        |            |            |
| <b>Stocks, October 1</b>                    |                        |        |        |        |        |        |        |        |            |            |
| Butter                                      | 3/450                  | 3/188  | 161    | 68     | 212    | 197    | 155    | 171    | 222        | 178        |
| Lard                                        | 81                     | 68     | 62     | 64     | 107    | 94     | 56     | 60     | 77         | 44         |
| Tallow, edible                              | 34                     | 25     | 22     | 40     | 70     | 39     | 26     | 37     | 63         | 36         |
| Corn oil                                    | 63                     | 62     | 35     | 55     | 47     | 41     | 71     | 60     | 58         | 70         |
| Cottonseed oil                              | 488                    | 433    | 236    | 202    | 207    | 99     | 377    | 121    | 94         | 114        |
| Soybean oil                                 | 920                    | 578    | 297    | 462    | 596    | 540    | 415    | 543    | 773        | 785        |
| Palm oil                                    | 4/37                   | 4/22   | 10     | 17     | 13     | 28     | 28     | 20     | 36         | 93         |
| Peanut oil                                  | 30                     | 8      | 18     | 34     | 31     | 14     | 17     | 12     | 24         | 18         |
| Safflower oil                               | 80                     | 24     | 35     | 50     | 60     | 76     | 61     | 29     | 29         | 39         |
| Sub-total                                   | 2,183                  | 1,407  | 876    | 992    | 1,343  | 1,128  | 1,206  | 1,054  | 1,376      | 1,378      |
| Finished products 5/                        | 347                    | 232    | 197    | 224    | 256    | 231    | 217    | 236    | 236        | 254        |
| Total food fats and oils                    | 2,530                  | 1,640  | 1,073  | 1,216  | 1,599  | 1,359  | 1,423  | 1,290  | 1,612      | 1,632      |
| <b>Imports</b>                              |                        |        |        |        |        |        |        |        |            |            |
| Butter                                      | 2                      | 1      | 4      | 2      | 2      | 2      | 2      | 2      | 2          | 2          |
| Tallow, edible                              | 1                      | 1      | 1      | 1      | 2      | 6/     | 6/     | 6/     | 6/         | 6/         |
| Olive oil                                   | 66                     | 47     | 47     | 55     | 60     | 58     | 63     | 67     | 67         | 65         |
| Corn oil                                    | 3                      | ---    | 10     | 2      | 9      | 8      | 3      | 1      | ---        | ---        |
| Cottonseed oil                              | ---                    | ---    | ---    | 17     | 13     | 6/     | 6/     | 6/     | ---        | 6/         |
| Palm oil                                    | 8                      | 5      | 41     | 89     | 72     | 161    | 122    | 207    | 440        | 400        |
| Peanut oil                                  | ---                    | ---    | 6/     | ---    | 6/     | 6/     | 6/     | 6/     | 6/         | 6/         |
| Sesame oil                                  | 1                      | 1      | 2      | 1      | 1      | 2      | 2      | 2      | 2          | 2          |
| Total                                       | 81                     | 55     | 104    | 167    | 159    | 231    | 191    | 279    | 511        | 469        |
| <b>Production</b>                           |                        |        |        |        |        |        |        |        |            |            |
| Butter                                      | 1,454                  | 1,412  | 1,120  | 1,235  | 1,185  | 1,139  | 1,129  | 1,148  | 1,129      | 1,025      |
| Lard                                        | 2,475                  | 2,205  | 1,900  | 2,066  | 2,067  | 1,969  | 1,833  | 2,044  | 1,667      | 1,400      |
| Tallow, edible                              | 572                    | 528    | 551    | 597    | 540    | 520    | 566    | 550    | 523        | 525        |
| Oleo oil & stearine 7/                      | 6                      | 7      | 12     | 14     | 6      | 6      | 11     | 4      | 5          | 8          |
| Corn oil                                    | 413                    | 435    | 449    | 446    | 442    | 467    | 474    | 485    | 499        | 525        |
| Cottonseed oil                              | 1,936                  | 1,999  | 1,830  | 1,223  | 1,020  | 1,450  | 1,251  | 1,235  | 1,308      | 1,625      |
| Soybean oil                                 | 4,822                  | 5,146  | 5,800  | 6,076  | 6,032  | 6,531  | 7,904  | 8,265  | 7,892      | 7,585      |
| Peanut oil                                  | 114                    | 144    | 163    | 175    | 198    | 199    | 180    | 266    | 265        | 265        |
| Safflower oil (estimate)                    | 104                    | 111    | 138    | 170    | 139    | 100    | 100    | 120    | 140        | 140        |
| Sub-total                                   | 11,896                 | 11,987 | 11,963 | 12,001 | 11,629 | 12,351 | 13,448 | 14,117 | 13,428     | 13,198     |
| <b>Oilseeds (oil equivalent of exports)</b> | 2,115                  | 2,361  | 2,940  | 3,050  | 3,078  | 3,210  | 5,007  | 4,857  | 4,607      | 5,430      |
| <b>Total Supply</b>                         | 16,622                 | 16,043 | 16,080 | 16,435 | 16,465 | 17,181 | 20,069 | 20,543 | 20,158     | 20,772     |
| <b>Exports and Shipments</b>                |                        |        |        |        |        |        |        |        |            |            |
| Butter                                      | 8/319                  | 150    | 24     | 7      | 31     | 37     | 8      | 27     | 124        | 15         |
| Lard                                        | 706                    | 431    | 218    | 247    | 246    | 282    | 405    | 382    | 220        | 140        |
| Tallow, edible                              | 4                      | 5      | 3      | 5      | 6      | 8      | 11     | 6      | 5          | 15         |
| Oleo oil & stearine                         | 6                      | 7      | 12     | 14     | 6      | 6      | 11     | 4      | 5          | 8          |
| Corn oil                                    | ---                    | ---    | ---    | 18     | 25     | 29     | 34     | 43     | 49         | 50         |
| Cottonseed oil                              | 8/584                  | 641    | 275    | 78     | 51     | 141    | 453    | 373    | 453        | 600        |
| Palm oil (re-exports estimate)              | ---                    | ---    | ---    | ---    | ---    | ---    | 5      | 5      | 27         | 40         |
| Peanut oil                                  | 67                     | 75     | 14     | 6      | 4      | 28     | 34     | 60     | 71         | 75         |
| Processed food oils 9/                      | 111                    | 79     | 64     | 76     | 59     | 61     | 63     | 67     | 43         | 50         |
| Safflower oil (estimate)                    | ---                    | ---    | ---    | ---    | ---    | ---    | 25     | 20     | 40         | 40         |
| Soybean oil                                 | 1/106                  | 1,357  | 948    | 1,105  | 993    | 899    | 1,449  | 1,782  | 1,430      | 1,220      |
| Sub-total                                   | 2,903                  | 2,744  | 1,558  | 1,557  | 1,427  | 1,490  | 2,498  | 2,769  | 2,467      | 2,253      |
| <b>Oilseeds (oil equivalent)</b>            |                        |        |        |        |        |        |        |        |            |            |
| Cottonseed                                  | 3                      | 3      | 3      | 2      | 1      | 1      | 9      | 12     | 1          | 5          |
| Soybeans                                    | 2,103                  | 2,265  | 2,764  | 2,930  | 2,972  | 3,148  | 4,941  | 4,764  | 4,429      | 5,335      |
| Peanuts (for crushing abroad)               | 9                      | 29     | 43     | 47     | 28     | 9      | 12     | 58     | 122        | 100        |
| Safflower                                   | ---                    | 64     | 130    | 71     | 77     | 52     | 45     | 23     | 55         | 40         |
| Sub-total                                   | 2,115                  | 2,361  | 2,940  | 3,050  | 3,078  | 3,210  | 5,007  | 4,857  | 4,607      | 5,480      |
| <b>Total exports</b>                        | 5,018                  | 5,104  | 4,498  | 4,608  | 4,505  | 4,700  | 7,505  | 7,526  | 7,074      | 7,733      |
| <b>Domestic disappearance</b>               |                        |        |        |        |        |        |        |        |            |            |
| Butter                                      | 1,399                  | 1,291  | 1,193  | 1,088  | 1,172  | 1,146  | 1,106  | 1,075  | 1,051      | 1,050      |
| Lard                                        | 1,786                  | 1,780  | 1,676  | 1,781  | 1,834  | 1,726  | 1,425  | 1,645  | 1,480      | 1,260      |
| Tallow, edible                              | 578                    | 527    | 530    | 563    | 567    | 526    | 544    | 518    | 546        | 520        |
| Corn oil                                    | 416                    | 462    | 439    | 438    | 432    | 416    | 454    | 445    | 439        | 475        |
| Cottonseed oil                              | 1,407                  | 1,555  | 1,590  | 1,157  | 1,090  | 1,031  | 1,052  | 890    | 834        | 1,000      |
| Soybean oil                                 | 4,058                  | 4,069  | 4,687  | 4,837  | 5,096  | 5,756  | 6,328  | 6,253  | 6,449      | 6,725      |
| Olive oil                                   | 66                     | 47     | 47     | 55     | 60     | 58     | 63     | 67     | 67         | 65         |
| Palm oil                                    | 23                     | 17     | 34     | 93     | 57     | 161    | 125    | 186    | 355        | 331        |
| Peanut oil                                  | 69                     | 59     | 133    | 172    | 211    | 168    | 151    | 193    | 200        | 185        |
| Safflower oil (estimate)                    | 160                    | 100    | 123    | 159    | 124    | 115    | 107    | 100    | 90         | 100        |
| Sesame oil                                  | 1                      | 1      | 2      | 1      | 1      | 2      | 2      | 2      | 2          | 2          |
| Processed food oils 9/                      | 111                    | 79     | 64     | 76     | 59     | 61     | 63     | 67     | 43         | 50         |
| Total                                       | 9,852                  | 9,829  | 10,390 | 10,268 | 10,535 | 11,044 | 11,294 | 11,306 | 11,471     | 11,732     |
| Total (calculated net) 10/                  | 9,967                  | 9,864  | 10,363 | 10,236 | 10,610 | 11,058 | 11,275 | 11,306 | 11,453     | 11,453     |
| <b>Total use for food 11/</b>               | 9,605                  | 9,298  | 10,044 | 10,030 | 10,316 | 10,590 | 10,988 | 11,057 | 11,156     | 11,500     |
| -- Pounds --                                |                        |        |        |        |        |        |        |        |            |            |
| <b>Per capita disappearance</b>             |                        |        |        |        |        |        |        |        |            |            |
| Butter (fat content)                        | 5.9                    | 5.4    | 4.9    | 4.4    | 4.7    | 4.6    | 4.4    | 4.2    | 4.1        |            |
| Margarine (fat content)                     | 7.6                    | 7.9    | 8.3    | 8.6    | 8.5    | 8.5    | 8.7    | 8.7    | 8.9        |            |
| Lard (direct use)                           | 6.4                    | 6.2    | 5.7    | 5.4    | 5.4    | 5.2    | 4.5    | 4.6    | 3.7        |            |
| Baking and frying fats                      | 14.0                   | 13.7   | 16.0   | 15.7   | 16.1   | 16.7   | 17.6   | 17.0   | 16.6       |            |
| Salad and cooking oils                      | 12.0                   | 12.3   | 13.0   | 12.8   | 13.2   | 14.0   | 15.0   | 15.6   | 16.9       |            |
| Other edible uses                           | 2.9                    | 1.4    | 2.2    | 2.5    | 2.4    | 2.3    | 2.6    | 2.3    | 2.4        |            |
| Total (fat content)                         | 48.8                   | 46.7   | 50.1   | 49.5   | 50.4   | 51.3   | 52.8   | 52.5   | 52.5       | 53.4       |

1/ Preliminary. 2/ Forecast except October 1 stocks. 3/ Includes estimates of butter oil, ghee, and canned butter. 4/ Includes stocks held by GSA.  
5/ Shortening, margarine (fat content), and salad and cooking oils. 6/ Less than 500,000 pounds. 7/ Represents exports only; production data are not available. 8/ Includes estimates of foreign donations of fats and oils, not reported by Census. 9/ Includes exports of processed food oils not classified by kind, shortening and other secondary fats. 10/ Adjusted to reflect changes in stocks of finished products. 11/ Excludes food fats and oils used for non-food purposes, but includes non-food oils (coconut and palm kernel) used in food.

May, use totaled 1.9 million tons, nearly a fourth above the pace last year. Larger cottonseed meal supplies and strong demand are boosting usage this season. Exports and shipments are small, and for the entire marketing year probably will be up a little from the 27,000 tons of last year.

Cottonseed meal prices (41% protein, expeller, Memphis) are the highest in history. During August-May they averaged \$143 per ton, nearly double the level for this period last season. The high prices reflect the strong world-demand for high-protein meals and short supplies due mainly to reduced fish meal supplies from Peru. Prices this summer will be influenced by 1973 crop developments and governmental price controls but remain well above a year ago.

### 1973 Cotton Plantings Off 6%

Cotton acreage planted this year is estimated at 13.1 million acres, about 6% below the 14.0 million acres planted in 1972. The 1973 national upland cotton base acreage allotment is 10 million acres, 13% less than 11.5 million acres for 1972. Acreage planted this year was off sharply in the Southeast and Delta States while growers in Texas and the Western States increased plantings. The first estimate of cotton acres for harvest and expected production will be released in the August 9 Crop Production Report.

The 1973 cottonseed crop should be about 6% below the 5.4 million tons produced in 1972.

## LARD

### Output Down Sharply

Lard production during the 1972/73 marketing year is estimated at 1.4 billion pounds, about 15 percent below 1971/72. Smaller hog slaughter and declining lard yields per hog are primarily responsible. During October-May hog slaughter was down about 10%. However, lard production during this same period was down a fifth. Lard yields per hog are in a long-term downtrend and the decline has accelerated sharply in recent years. High pork prices and more fat in sausages and on the pork cuts partly explain the decline.

Domestic use of lard is estimated at 1.3 billion pounds compared with 1.5 billion last season. During October-May use totaled 823 million pounds, about 15% below this same period a year ago. The smaller supplies are a limiting factor this season. However, lard is competitively priced in relation to major edible vegetable oils, a factor which should aid disappearance.

Lard exports probably will total about 125 million pounds, compared with 171 million previously. The smaller exports this year reflect the reduced domestic supplies and the practical elimination of the United

Kingdom as a market for U.S. lard. Last January the U.K. became a member of the European Community, a move which gave lard exports from other member countries a decided advantage. In addition, the U.K. imposed a levy on all lard imported from non-EC sources. Also in January, the USDA terminated its lard export payment program, which had provided for a 1 cent per pound payment rate on all lard exported to the United Kingdom.

Also, on July 5, the U.S. Department of Commerce announced that a validated license would be required for all lard exports. This was a further relaxation of the embargo which was imposed June 27. However, there are no quota restrictions on lard exports. So far this season U.S. lard exports are running about a fourth below year-earlier levels.

### Prices Doubled

Lard prices (tanks, loose, Chicago) doubled from around 9½ cents per pound last December to around 19 cents in June, the highest since the spring of 1954. These high prices are the result of smaller supplies, a sharp jump in prices of other major food fats and oils arising from dwindling supplies, devaluation of the dollar, and the strong inflationary trend now gripping the country. Currently lard prices are still near this level and are expected to remain strong over the balance of the 1972/73 marketing year.

## PEANUTS

### Edible Use Up; 1973 Support Set At \$310.50 Per Ton

The 1972 peanut crop was a record 3.3 billion pounds (farmers' stock basis), nearly 10% above the previous year. Approximately one-third of the crop was placed under the loan program, with most of it acquired by the CCC. Practically the entire volume acquired has already been diverted into either crushing or export channels. Prices to growers for 1972 crop peanuts averaged 14.4 cents per pound, near support but almost 1 cent above last season's average.

Edible use of peanuts so far this marketing year is up about 5%. Use is up in all major categories—peanut butter, salted peanuts, and peanuts in candy. Consumption in recent years has been expanding at an annual rate of about 3%. Use for the current marketing year probably will equal or exceed this average. This would put total edible usage at about 1.7 billion pounds (farmers' stock basis), equal to around 8 pounds per person.

Peanut crushings this season are close to year-ago levels, with crushings through May totaling nearly 700 million pounds (farmers' stock basis). For the season they are expected to total about 800 million pounds, not much changed from 1971/72. Crushings

have been large in the past several years, reflecting the heavy CCC diversions.

Peanut exports so far this season total around 420 million pounds (farmers' stock basis), slightly below a year ago. Peanuts (as well as peanut oil and meal) were placed under export control on July 5. Exports for the balance of the season now will be influenced by these controls. Last season total exports were about 550 million pounds.

The 1973 peanut crop will be supported at a minimum national average of \$310.50 per ton (15.52 cents per pound), an increase of \$25.50 over 1972. This is 75% of the peanut parity price for April 1973. By law, this price cannot be decreased, but it may be increased if changes in the parity price or supply situation by August so warrant. Support by type is as follows: Virginia, \$317; Runner, \$314; Southeast Spanish \$305; Southwest Spanish, \$301; and Valencia (suitable for cleaning and roasting) \$317.

The 1973 Peanut Program is different from the 1972 program in several respects. (1) There will be no sheller purchase program, (2) any peanuts found by Federal-State Inspection Service to have visible *Asperigillus Flavus* mold will be subject to a \$50 per ton discount, and (3) producers will be required to assume storage, handling, and inspection costs on any peanuts placed under warehouse storage loans.

Support will be available through loans and purchases. Producers must comply with their 1973-crop peanut acreage allotments to be eligible for support.

## FLAXSEED

### Prices High as Supplies Tighten

Dwindling domestic supplies and a tightening in world availabilities boosted farm prices for flaxseed from \$2.49 per bushel last July to \$5.48 in June. The June average was the highest since the spring of 1949. Prices for the season, which ended June 30, averaged a little over \$3 per bushel, compared with \$2.38 last season. Flaxseed products also were higher. Prices for linseed oil (raw, tanks, Minneapolis) averaged around 10 cents per pound, about one cent above the previous season. Linseed meal prices (34% protein, Minneapolis) averaged near \$130 per ton, up sharply from the \$68 of 1971/72.

Flaxseed supplies in 1972/73—at 34 million bushels—were about a fourth below the previous season. Flaxseed use totaled 31 million bushels, compared with 25 million previously. Larger exports accounted for the gain as the season's crush was down. Crushings totaled about 19 million bushels, about a tenth below 1971/72. However, exports totaled around 9 million bushels, up sharply from the 2 million last year. This left carryover stocks for July 1 at about 3 million bushels, down sharply from the 20 million of last July 1.

Farmers placed about a half million bushels of flaxseed under price support loan during 1972/73, compared with nearly 7 million the previous season. All of this was subsequently redeemed. As a result, for all practical purposes, the CCC does not own or control any flaxseed.

The support price for the 1973 flaxseed crop is \$2.50 per bushel, unchanged from the previous 3 years. As in the past, the program will be carried out through farm and warehouse-stored loans and purchases. The basic provisions of the 1972 program also will apply in 1973.

As of July 1, planted flaxseed acreage for 1973 totals 1.7 million acres, 40% above 1972. Acreage is up in all 3 of the North Central States—Minnesota, North Dakota and South Dakota—where 95% of the Nation's supply is grown. If yields are near normal, production would be 20.4 million bushels compared with 13.9 million in 1972. Total flaxseed supplies for the 1973/74 marketing year are placed at 23 million bushels—a third less than last season. This is enough to meet domestic crushing needs of around 15 million bushels and allow 4 million bushels for export.

Flaxseed exports were placed under export control by the Department of Commerce on July 5. These controls will have a bearing on exports during the 1973/74 marketing year.

## LINSEED OIL

### Domestic Use Lags But Exports Up Sharply

During July-May domestic use of linseed oil totaled 236 million pounds, about a tenth below this same period a year ago. Use for the entire marketing year likely will total about 275 million pounds, down from the 288 million of last season. Stiff competition from synthetic and non-oil ingredients in paints and varnishes is limiting the use of linseed oil.

Linseed oil exports in 1972/73 were up sharply, reflecting the vanishing world supplies of flaxseed and linseed oil and the export of large quantities of CCC-owned linseed oil. For the entire season they are estimated at about 275 million pounds, compared with only 66 million the previous year. Export controls were put on linseed oil on July 5.

Linseed oil stocks on June 1 totaled 150 million pounds, down sharply from the 275 million of a year ago. Smaller production and the good export movement have reduced stocks significantly in recent months. Currently, there are no stocks in CCC hands.

## INEDIBLE TALLOW

### Domestic Use Up But Exports Are Off

Production of inedible tallow and greases for the year ending September 30 probably will total near the

5.1 billion pounds of 1971/72. Both cattle and hog slaughter are running below year-earlier levels and are limiting tallow output.

Domestic use so far totals 1.8 billion pounds, not much changed from a year ago. For the season it probably will total near last season's level of 2.7 billion pounds. Use in animal feeds—the largest domestic outlet for inedible tallow—is off and partly accounts for the lower disappearance. Sharply higher tallow prices have mainly curtailed the use in animal feeds.

Exports so far total 1.4 billion pounds, about 75 million below a year ago. Total exports for the season will be affected by the controls which were placed on inedible tallow on July 5, 1973.

Inedible tallow prices (bleachable, fancy, Chicago) are up sharply—increasing from about 7½ cents per pound last December to about 17 cents in June. The increase reflects the smaller production and the general rise in prices of most major fats and oils. Prices are expected to continue strong. Last season's prices were around 6½ cents per pound.

### Speeches, Articles and Bulletins Available

A free copy of the following releases may be obtained from the ERS Division of Information, Rm. 0425 South Building, U.S. Department of Agriculture, Washington, D.C. 20250:

"Structural Changes in the U.S. Flaxseed-Linseed Oil Industry" by George W. Kromer. Reprint from *Fats and Oils Situation*, FOS-264, September 1972.

"U.S. Soybeans and Edible Oils in 1972/73" by George W. Kromer. Speech before the Institute of Shortening and Edible Oils, Inc. Williamsburg, Va., October 20, 1972.

"U.S. Peanut Economy in the 1980's" by George W. Kromer. Reprint from *Fats and Oils Situation*, FOS-265, December 1972.

"Outlook for Oilseeds, Fats and Oils" by George W. Kromer. Speech at the 1973 National Agricultural Outlook Conference, Washington, D.C., February 22, 1973.

"An Economic View of Soybeans and Food Fats in the 1980's" by George W. Kromer. Speech before the Institute of Shortening and Edible Oils, Inc., Scottsdale, Arizona, March 16, 1973.

"U.S. Soybean Economy in the 1980's" by George W. Kromer. Reprint from *Fats and Oils Situation*, FOS-267, April 1973. ERS-518.

"Economic Situation and Outlook for Tallow and Palm Oil in the United States," by George W. Kromer. Paper presented before the American Oil Chemists' Society Symposium on Recent Advances in Lipid Based Surfactants, New Orleans, Louisiana, May 1, 1973.

"Economic Situation and Outlook for Edible Vegetable Oils in the United States" by George W. Kromer. Speech before the Potato Chip Institute International in Huron, Ohio, June 11, 1973.

"Potential for Oilseed Sunflowers in the United States," by W. K. Trotter, H. O. Doty, Jr., W. D. Givan, and John V. Lawler. AER-237, February 1973.

## Conditional Market Forecasts and Implications for The U.S. Soybean Economy

by

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**ABSTRACT:** Implications of dollar devaluation, short supplies of competing high protein feeds and soybean exports to the Soviet Union for the U.S. soybean economy in 1972/73 are explored with an econometric model. Incremental impacts of these variables along with many factors affecting the U.S. soybean economy are identified and discussed. Ramifications of recent events are extended to the 1973/74 and 1977/78 crop years for soybeans. Conditional market forecasts shown for these years indicate the most likely course of events but alternative forecasts could be derived by altering the basic assumptions.

**KEY WORDS:** Acreage, forecasting, models, prices, soybean meal, soybean oil, soybeans.

The 1972/73 marketing year saw prices for soybeans and soybean meal go into orbit. The escalation was not solely due to new Soviet purchases of soybeans and grains. Events in Peru, Japan, Germany, India, Saudi Arabia, and Brazil as well as in the United States contributed. The diverse set of circumstances and their impact on the U.S. soybean economy caught many forecasters by surprise, leading to heightened concern over future implications.

The impact of dollar depreciation in soybean importing nations for 1972/73 is still largely unmeasured. Full ramifications may not be known for some time. Increased demands in the Soviet Union and the Eastern Bloc nations are not fully known either. Supplies of competing products such as fish meal from Peru have been sharply lower. In addition, the sharp increase in grain exports to the USSR has limited the handling capacity at U.S. ports for soybeans. This had led to sharply higher f.o.b. charges for beans and sharp increase in gross margins.

This article presents comments on the effects of these and other factors on the U.S. soybean economy. These comments are based on data obtained from an

econometric model of the soybean economy.<sup>1</sup> Hopefully, some insights not otherwise available can be developed which will provide an improved basis for understanding changes anticipated in 1973/74 and beyond.

The first section summarizes most of the key demand and supply factors and assumptions contributing to changes in annual average prices, utilization, and supplies of soybeans and soybean products. Particular attention is given to the possible contribution of these factors to changes in the U.S. soybean economy in 1972/73. The second section presents conditional model forecasts for 1972/73, 1973/74, and 1977/78. These conditional forecasts depend, of course, on the underlying validity of the model and the values assumed for the key demand and supply factors.

### Key Demand and Supply Factors and Their Implications

The major factors contributing to soybean price, use, and supply changes are summarized in table 5. In general, known values of the factors through

\*I would like to acknowledge the very able statistical assistance provided by Pearl L. Williams and Charlotte K. Tucker which makes current forecasts based on a formal analytical model feasible.

<sup>1</sup> This econometric model was discussed in the November 1971 issue of the *Fats and Oils Situation*, FOS-260. The basic model has been slightly modified to accommodate the effect of dollar devaluation.

1971/72 have been used in the 20-equation econometric model to generate forecasts for the U.S. soybean economy. Values for these factors beginning in 1972/73, are drawn from a number of sources including trend extrapolation, forecasts by other analysts, and qualitative judgments of the author.

Historically, the factors which have been quite important in explaining changes in the U.S. soybean economy are variations in livestock numbers, both foreign and domestic; livestock prices; availability of supplies of competing oilseed crops; consumer expenditures; price of feed grains, domestic feed grain programs, and the variable levy imposed on U.S. feed grains entering the Common Market countries. More recently, the emergence of the USSR as a buyer of U.S. soybeans and soybean products and the impact of the dollar's devaluation on soybean importing countries have been of large significance.

As shown in line 14 of table 5, for example, the USSR purchased 40 million bushels of U.S. soybeans in 1972/73. This factor is estimated to have increased U.S. farm prices by 15 cents per bushel in 1972/73 as shown in column 1 of table 6. Impacts on soybean meal prices (\$4.10/ton increase) and other soybean variables are also presented in line 3 of table 6 for the reported change in USSR exports.

Estimated impacts for key factors influencing the U.S. soybean economy are obtained from information in tables 5, 7 and 8. Table 5 can be used to find the reported or estimated change for such a factor as Soviet exports. Tables 7 and 8 show the approximate impacts for a given hypothetical change in some demand or supply factor. For example, in table 7 the current year impact on soybean prices and use of increasing soybean exports to USSR by 37 million bushels (1 million metric ton) is shown as 14 cents per bushel in column 11. Since the reported change was 40 million bushels, the prorated impact is estimated as 15 cents ( $40,000/37,000 \times .14$ ). Table 8 is similar to table 7 except the impacts vary slightly depending on whether the factor is increased or decreased. The differences in tables 7 and 8 impacts are related largely to stock holdings.

Using the preceding procedures, the estimated impacts of other key factors on the U.S. soybean economy are estimated and summarized in table 6 for the 1972/73 marketing year. For the total net increase of \$1.10 per bushel over 1971/72 in estimated farm prices of soybeans, 90 cents is attributed to foreign demand factors as follows: 15 cents to Soviet exports, 56 cents to depreciation of the dollar, and 15 cents to the expansion of the livestock economies in countries importing U.S. soybeans. Additionally, the small estimated decline in world availability of competing oilseed meal supplies contributed only 2 cents per bushel, and other factors in foreign markets contributed another 2 cents. This compares to a 77 cent increase in soybean prices attributed to

increased demands in the United States. Much of the domestic demand pressures are attributed to increased U.S. livestock output and sharply higher U.S. livestock prices in 1972 and 1973. However, the estimated gross increase of \$1.67 in soybean farm prices due to demand factors was offset partially by expanded margins, sharply increased f.o.b. charges for soybeans, and increased U.S. supplies of soybeans in 1972/73. Expanded U.S. supplies of soybeans in 1972/73 reduced farm prices by 19.5 cents in the model while expanded margins and f.o.b. charges reduced soybean farm prices by 31.5 cents per bushel. Other factors reduced prices by 6 cents for the net increase of \$1.10 per bushel in the farm price of soybeans.

If only the expansion in foreign and domestic demands is considered, a little over half of the increase in U.S. soybean farm prices in 1972/73 can be traced to increased foreign demand. Further depreciation of the dollar in 1972/73 beyond that assumed, along with any further downward adjustments in the estimated availability of competing oilseed meals, would increase current year season-average farm prices for soybeans to around \$4.25. The proportion of the price rise attributed to foreign demand would then approximate 60 percent in 1972/73.

#### Conditional Market Forecasts

Conditional market forecasts for soybean prices, use, and supplies are shown in table 9. Model estimates for 1971/72 are shown in column 5 and can be compared with reported values for 1971/72 given in column 3. This provides some basis for judging the validity of the model when most of the information given in table 5 is shown. The 1972/73 model forecasts are based on the information in table 5 and were partially discussed in the previous section. The estimates compare favorably with the official preliminary estimates for 1972/73 shown in column 4 of table 9.

Model forecasts for 1973/74 are again based on the values in table 5 plus 1972/73 estimated farm prices for soybeans, corn, and cotton, and provisions of the 1973 farm programs for feed grains, soybeans, and cotton. The latter items are required for the model's estimation of 53.1 million harvested acres of beans in 1973. Lagged market prices are the most significant factors for estimating the acreage, as can be seen from table 10. Each 10 cent increase in market price for soybeans is normally expected to increase soybean harvested acreage by 624,000 acres. The estimated \$1.10 increase would be expected to increase soybean acreage by 6.9 million acres while the 22 cent per bushel increase in corn prices would have the effect of reducing soybean acreage by 2.3 million acres. The result would be a net increase of 4.6 million acres. Changes in the feed grain program are

the major factors in the remaining estimated increase of around 3 million acres. Assumptions made for the farm programs in 1972/73 and 1973/74 are as follows:

|                                                    | 1972/73         | 1973/74 |
|----------------------------------------------------|-----------------|---------|
| Corn <sup>1</sup>                                  |                 |         |
| Set-aside (percent) . . . . .                      | 25 <sup>2</sup> |         |
| Option A (percent) . . . . .                       |                 | 10      |
| Option B (percent) . . . . .                       |                 | 0       |
| Set-aside payment (\$/bu.) . . . .                 | .40             |         |
| Option A (\$/bu.) . . . . .                        |                 | .32     |
| Option B (\$/bu.) . . . . .                        |                 | .15     |
| Loan rate (\$/bu.) . . . . .                       | 1.05            | 1.05    |
| Cotton                                             |                 |         |
| Domestic allotment (mil. ac.) .                    | 11.5            | 10.0    |
| Set-aside allotment (percent) .                    | 20              | 0       |
| Set-aside payment (gross weight; \$/lb.) . . . . . | .15             | .15     |
| Loan rate (gross weight; \$/lb) .                  | .187            | .187    |

<sup>1</sup> Actual program provisions as announced differ slightly from those assumed here. <sup>2</sup> Two program options for additional voluntary diversion up to 10 percent of base acreage were offered in 1972/73.

The model's estimated soybean production of 1,512 million bushels in 1973 is derived by multiplying the harvested acreage by the official yield projection of 28.5 bushels. This production in conjunction with the values in table 5 for 1973/74 would result in soybean prices of \$3.78 per bushel, soybean meal prices of \$146.60 per ton, and oil prices of around 12 cents per pound. Minimum carryout stocks are likely to be repeated with total soybean exports near 600 million bushels for 1973/74. Part of this export demand is in the replacement of pipeline stocks which could end up in somewhat larger domestic stocks and a little lower exports than indicated by the model. In addition, only a 4 percent expansion in competing supplies of oilseed crops in 1973/74 is assumed in table 5. A return to normal production levels by Peru in 1973/74 could increase total competing meal supplies by around 15 percent. An increase of this magnitude would be expected to reduce U.S. soybean exports by 25 million bushels to around 575 million bushels.

Considerable price strength is indicated for the 1973/74 marketing year in spite of the model's nearly 8 million acre estimated increases in soybeans. Exports to the Soviet Union, Peruvian fish meal supplies, and domestic production would appear to be key factors which could alter these price outcomes in 1973/74.

In column 9 and 10 of table 9, alternative forecasts for 1973/74 are shown for different production possibilities. If production should be 50 million bushels more, prices for soybeans could average closer to \$3.60 per bushel while 50 million bushels less would raise prices to \$4.00. The 50 million bushels is equivalent to nearly 2 million more acres of soybeans. This additional acreage is a possibility based on the below-average planting conditions for corn this year. However, a drop of 1.0 bushel in average yields would

result in 50 million bushels fewer beans. The combination of additional acreage and lower average yields is a possibility with the two factors possibly offsetting each other.

A very conservative alternative estimate for 1973/74 bean prices would be \$3.00 per bushel instead of the estimated \$3.78. This could result if the Soviet Union did not import any U.S. soybeans instead of 70 million bushels, the Brazilians increased their soybean exports by 50 million bushels, the Peruvians more than doubled their fish meal production to around 2 million metric tons, U.S. producers harvested 56 million acres of soybeans with an average yield of 28.5 bushels per acre, and the growth in foreign livestock output increased by 3 percent instead of the estimated 5 percent in 1974. Elimination or reduction in the variable levy imposed on U.S. feed grains would also reduce soybean demand and prices. The current levy is around \$1.40 per bushel on feed grains. Total elimination could depress soybean prices by as much as 50 cents per bushel in the short run.

On the bullish side for U.S. producers, exports to the Soviet Union of 2.5 million metric tons combined with a 1,462 million bushel soybean crop in the United States, another short Peruvian fish catch, and a return to gross margins near the 1971/72 levels could raise season-average farm prices to \$4.50 per bushel in 1973/74. An additional 10 percent depreciation of the dollar on top of these factors could push soybean farm prices to near the \$5.00 per bushel level.

Based on the July Crop Production Report, producers are likely to harvest 55.7 million acres of soybeans in 1973. If trend yields of 28.5 bushels per acre are used, this would generate 1,588 million bushels of soybeans. However, the government of Peru announced in July 1973 that the fishing season may not be opened before March 1974. Additional depreciation of the dollar in several markets in the past few weeks also has continued to add to demand strength (estimated at near 5 percent). These demand considerations, along with margins near the 1971/72 levels, would lead to an estimated price of \$4.35 per bushel in the model if supplies of soybeans were only 1,512 million bushels. A 1,588 million bushel crop in conjunction with the strength in demand indicated above would suggest a season average farm price of \$4.11 per bushel in the model for 1973/74.

Over the next 5 years, conditions set out in table 5 for 1977/78 would suggest soybean acreage of around 56 to 57 million harvested acres with an average price for soybeans of \$3.50 per bushel. Demand and prices for meal would remain strong, averaging \$125.00 to \$130.00 per ton in 1977/78. The expansion in soybean oil demand, however, would not keep pace with expanding oil supplies. As a consequence, oil prices would work lower and possibly average near 8 cents per pound by 1977/78.

Table 5.--Data for exogenous demand and supply variables used in formulating market forecasts and projections

| Exogenous variable                              | Program code   | Letter code       | Unit         | Average : 1954/55 : to : 1970/71 : | (1)   | (2)   | (3)   | (4)   | (5)   | (6)   | (7)  | Average : growth rate : percent : 1961/62 : to : 1971/72 : |
|-------------------------------------------------|----------------|-------------------|--------------|------------------------------------|-------|-------|-------|-------|-------|-------|------|------------------------------------------------------------|
| U.S. price of corn                              | X0(1)          | PC                | \$/bu.       | 1.17                               | 1.16  | 1.33  | 1.08  | 1.29  | 1.35  | 1.25  | 0.5  |                                                            |
| U.S. real food expenditures                     | X0(4)          | E                 | Bi1. dol. 1/ | 85.1                               | 98.1  | 100.4 | 101.0 | 103.0 | 104.2 | 110.6 | 2.1  |                                                            |
| Foreign livestock output                        | X0(7)          | LW                | Mil. 1/ 2/   | 468.0                              | 550.0 | 572.0 | 594.0 | 618.0 | 655.0 | 737.0 | 2.8  |                                                            |
| Price of corn plus variable levy                | X0(8)          | PC+D <sub>t</sub> | \$/bu.       | 1.63                               | 2.16  | 2.83  | 2.54  | 2.67  | 2.50  | 2.50  | 8.3  |                                                            |
| U.S. consumption of cottonseed oil and palm oil | X0(6) + X0(14) | QCOD + QPOD       | Mil. lb.     | 1,258                              | 1,177 | 1,076 | 1,185 | 1,300 | 1,325 | 1,325 | -1.3 |                                                            |
| World supplies of other oilseed meals           | X0(16)         | OM                | Mil. m.t. 1/ | 10.0                               | 11.0  | 11.3  | 12.1  | 11.9  | 12.2  | 13.7  | 2.4  |                                                            |
| U.S. crushing margin                            | X0(18)         | W <sub>t</sub>    | \$/bu.       | .36                                | .73   | .67   | .41   | .80   | 1.00  | .40   | .9   |                                                            |
| P.L. 480 soybean oil exports                    | X0(19)         | QOXPL             | Mil. lb.     | 802                                | 778   | 803   | 735   | 569   | 800   | 1,150 | 7.9  |                                                            |
| U.S. soybean yield                              | X0(23)         | YLD               | Bu./ac.      | 24.0                               | 27.4  | 26.7  | 27.5  | 28.0  | 28.5  | 30.5  | 1.5  |                                                            |
| U.S. consumption of other high protein feeds    | X0(32)         | QP                | 1,000 tons   | 6,437                              | 6,172 | 6,385 | 6,575 | 6,875 | 6,775 | 7,363 | .3   |                                                            |
| U.S. consumption of edible animal fats          | X0(36)         | QBL               | Bi1. lb. 1/  | 3.9                                | 3.4   | 3.4   | 3.4   | 2.9   | 3.1   | 3.3   | -2.4 |                                                            |
| U.S. livestock output                           | X0(42)         | LO                | Bi1. dol.    | 18.6                               | 21.6  | 22.2  | 21.9  | 22.2  | 23.0  | 24.8  | 1.7  |                                                            |
| U.S. farm prices for livestock                  | X0(43)         | PL                | 1957-59=100  | 100.7                              | 119.9 | 114.5 | 134.2 | 159.0 | 140.0 | 152.0 | 3.4  |                                                            |
| Soybean exports to USSR                         | X0(44)         | QSX-R             | Mil. bu. 1/  | ---                                | 0     | 0     | 0     | 40.0  | 70.0  | 110.0 | ---  |                                                            |
| Handling charges                                | X0(45)         | FOB               | \$/bu.       | ---                                | 0     | 0     | 0     | .60   | 0     | 0     | ---  |                                                            |
| Dollar depreciation in soybean oil markets      | X0(46)         | DEV-0             |              | 1.00                               | 1.00  | 1.00  | 1.00  | .900  | .900  | .900  | ---  |                                                            |
| Dollar depreciation in bean and meal markets    | X0(50)         | DEV               |              | 1.00                               | 1.00  | 1.00  | .935  | .750  | .775  | .775  | ---  |                                                            |

1/ For convenience in reporting this table, the decimal has been shifted 3 places to the left.

2/ Livestock production units.

Table 6.--Estimated annual effect of major market factors on prices and utilization of soybeans and soybean products in 1972/73

| Market factor                                            | Code letter       | PS<br>\$/bu. | PM<br>\$/ton | PO<br>¢/lb. | QSC<br>Mil. bu. | QSX<br>Mil. bu. | QMX<br>Bil. lb. | QMD<br>Bil. lb. | QOD<br>Mil. lb. |
|----------------------------------------------------------|-------------------|--------------|--------------|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                                          |                   | (1)          | (2)          | (3)         | (4)             | (5)             | (6)             | (7)             | (8)             |
| U.S. production of soybeans                              | QSS               | -0.310       | -6.20        | -1.45       | 32.30           | 30.75           | 0.280           | 1.15            | 159.70          |
| Beginning stocks of soybeans                             | SS-1              | .115         | 2.50         | .510        | -11.15          | -11.26          | -.095           | -.435           | -57.45          |
| Soybean exports to USSR                                  | QSX-R             | .150         | 4.10         | .660        | -15.50          | -9.55           | -.120           | -.700           | -61.55          |
| U.S. soybean oil exports 1/                              | QOX               | -.020        | .535         | -.275       | -2.40           | 3.45            | -.020           | -.090           | 29.90           |
| Dollar depreciation in bean and meal importing countries | DEV               | .480         | 19.15        | .280        | -6.40           | 11.30           | -.055           | -.240           | -29.80          |
| Dollar depreciation in soybean oil markets               | DEV-0             | .080         | -.600        | .930        | 6.35            | -10.25          | .060            | .110            | 32.70           |
| Livestock production in foreign countries                | LW                | .150         | 4.65         | .400        | -7.85           | 20.25           | .330            | -.770           | -45.65          |
| World supplies of other oilseed meals                    | OM                | .020         | .700         | .030        | -.565           | 3.30            | .070            | -.130           | -2.80           |
| Price of corn + variable levy                            | PC+D <sub>t</sub> | .040         | 1.15         | .125        | -2.40           | 6.30            | .050            | -.190           | -14.33          |
| U.S. livestock output                                    | LO                | .010         | .640         | -.040       | .965            | -.220           | -.025           | .010            | 4.20            |
| Current year farm prices of all livestock                | PL                | .070         | 5.40         | -.430       | 9.30            | 3.95            | -.035           | .430            | 54.30           |
| Last year farm prices of all livestock                   | PL-1              | .610         | 29.90        | -.850       | 8.10            | -12.65          | -.270           | .680            | 94.15           |
| U.S. real consumption expenditures                       | E                 | .020         | -.620        | .330        | 3.20            | -3.95           | .030            | .115            | 112.65          |
| U.S. consumption of edible animal fats                   | QBL               | .060         | -1.80        | .900        | 8.97            | -11.35          | .075            | .345            | 320.05          |
| U.S. consumption of cottonseed oil and palm oil          | QCOD + QPOD       | -.005        | .200         | -.120       | -1.10           | 1.35            | -.010           | -.040           | -38.05          |
| Oil crushing yield                                       | O-YLD             | .020         | -.800        | .690        | 3.50            | -3.00           | .030            | .135            | -67.00          |
| U.S. consumption of other high protein feeds             | QP                | -.020        | -2.15        | .290        | -6.30           | -1.80           | .080            | -.380           | -31.05          |
| Gross margin                                             | W                 | -.195        | 4.70         | .860        | -19.70          | 23.85           | -.115           | -.505           | -62.85          |
| Handling charge                                          | FOB               | -.120        | 22.80        | -.660       | 13.70           | -14.45          | .120            | .540            | 73.70           |
| All others                                               |                   | -.055        | -7.85        | .220        | -3.05           | 2.00            | .060            | -.063           | -130.80         |
| Total change                                             |                   | 1.10         | 76.40        | 2.40        | 10.00           | 28.00           | .440            | -.028           | 340.00          |

1/ Total oil exports including P.L. 480 oil shipments.

Table 7.--First year impact of exogenous demand and supply variables which influence the U.S. soybean economy <sup>1/</sup>

( + )

| Variables                                     | Code<br>letter  | Assumed<br>change | Supply      |             |             |             | Exports     |             | Domestic<br>consumption |             |             | Ending stocks |        |        | Prices |  |  |
|-----------------------------------------------|-----------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------------|-------------|-------------|---------------|--------|--------|--------|--|--|
|                                               |                 |                   | QSS         | QSC         | QMP         | QOP         | QSQ         | QMX         | QMD                     | QOD         | SS          | SO            | PS     | PM     | PO     |  |  |
|                                               |                 |                   | Mil.<br>bu. | Mil.<br>bu. | Bil.<br>lb. | Mil.<br>lb. | Mil.<br>bu. | Mil.<br>lb. | Bil.<br>lb.             | Mil.<br>lb. | Mil.<br>bu. | Mil.<br>lb.   | \$/bu. | \$/ton | ¢/lb   |  |  |
|                                               |                 |                   | (1)         | (2)         | (3)         | (4)         | (5)         | (6)         | (7)                     | (8)         | (9)         | (10)          | (11)   | (12)   | (13)   |  |  |
| U.S. production of soybeans                   | :QSS            | +100 mil. bu.     | 0           | 32.31       | 1.50        | 346.17      | 30.76       | 0.28        | 1.14                    | 159.68      | 34.87       | 186.97        | -0.31  | -6.20  | -1.46  |  |  |
| Soybean exports to USSR                       | :QSX-R          | +37 mil. bu.      | 0           | -14.37      | -.68        | -156.20     | -8.84       | -.11        | -.65                    | -57.01      | -15.59      | -94.66        | -.14   | 3.80   | .61    |  |  |
| P.L. 480 oil increase                         | :QOXPL          | +100 mil. lb.     | 0           | 2.68        | .13         | 29.05       | -3.88       | .02         | .10                     | -33.57      | 1.14        | -37.45        | .02    | -.60   | .31    |  |  |
| Livestock production in foreign countries     | :LW             | +5 percent        | 0           | -9.82       | -.49        | -113.25     | 25.30       | .41         | -.96                    | -57.08      | -15.59      | -59.87        | .19    | 5.80   | .50    |  |  |
| U.S. livestock output                         | :LO             | +5 percent        | 0           | 4.83        | .22         | 51.38       | -1.13       | -.12        | .04                     | 21.06       | -3.68       | 30.01         | .06    | 3.20   | -.21   |  |  |
| Current year farm prices                      | :PL             | +5 percent        | 0           | 2.59        | .12         | 28.20       | 1.08        | -.01        | .12                     | 15.08       | -3.90       | 13.49         | .02    | 1.50   | -.12   |  |  |
| Last year farm prices                         | :PL-1           | +5 percent        | 3.15        | 2.40        | .12         | 28.35       | -3.72       | -.08        | .20                     | 27.69       | 0           | 15.94         | .18    | 8.80   | -.25   |  |  |
| U.S. real consumption expenditures            | :E              | +5 percent        | 0           | 7.95        | .37         | 85.55       | -9.91       | .07         | .29                     | 281.67      | 1.54        | -196.01       | .05    | -1.55  | .83    |  |  |
| U.S. consumption of edible animal fats        | :QBL            | +10 percent       | 0           | -6.00       | -.28        | -65.54      | 7.59        | -.05        | -.23                    | -213.33     | -1.54       | 147.51        | -.04   | 1.20   | -.62   |  |  |
| World supplies of other oilseed meals         | :OM             | +8 mil. m.t.      | 0           | 2.14        | .11         | 24.52       | -12.06      | -.28        | .39                     | 12.24       | 10.06       | 13.45         | -.06   | -2.20  | -.11   |  |  |
| U.S. consumption of other high protein feeds  | :QP             | +5 percent        | 0           | -6.30       | -.30        | -68.55      | -1.81       | .08         | -.38                    | -31.04      | 8.14        | -37.58        | -.02   | -2.15  | .29    |  |  |
| U.S. consumption of cottonseed oil & palm oil | :QCOD + QPOD    | +5 percent        | 0           | -.54        | -.02        | -5.84       | .68         | -.005       | -.02                    | -19.02      | -.14        | 13.15         | -.002  | .10    | -.06   |  |  |
| Average import levy on corn                   | :D <sub>t</sub> | +50¢/bu.          | 0           | -9.66       | -.49        | -111.86     | 25.12       | .21         | -.75                    | -57.33      | -15.59      | -58.33        | .16    | 4.60   | .50    |  |  |
| Gross margin                                  | :W              | +10¢/bu.          | 0           | -5.05       | -.24        | -54.31      | 8.99        | -.05        | -.19                    | -24.19      | -3.97       | -29.47        | -.05   | 1.20   | .22    |  |  |
| Dollar depreciation in bean & meal markets    | :DEV            | +10 percent       | 0           | -3.46       | -.16        | -37.10      | 6.11        | -.03        | -.13                    | -16.11      | -2.72       | -20.41        | .26    | 10.36  | .15    |  |  |
| Handling charges                              | :FOB            | +10¢/bu.          | 0           | 2.29        | .11         | 25.15       | -2.41       | .02         | .09                     | 12.28       | 0           | 12.97         | -.02   | 3.80   | -.11   |  |  |
| Dollar depreciation in soybean oil markets    | :DEV-0          | +10 percent       | 0           | 6.35        | .27         | 62.63       | -10.51      | .06         | .11                     | 32.68       | 1.80        | 30.90         | .08    | -.60   | .93    |  |  |

<sup>1/</sup> The impact multipliers presented in this table are not invariant with respect to the level of soybean stocks. They are reasonable approximations when soybean stocks are greater than 60 million bushels but less than 150 million bushels.

Table 8.--First year impact of exogenous demand and supply variables which influence the U.S. soybean economy 1/

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| Variables                                     | Code letter       | Assumed change | Supply   |          |          | Exports  |          |          | Domestic consumption |          |          | Ending stocks |        |        | Prices |  |  |
|-----------------------------------------------|-------------------|----------------|----------|----------|----------|----------|----------|----------|----------------------|----------|----------|---------------|--------|--------|--------|--|--|
|                                               |                   |                | QSS      | QSC      | QMP      | QOP      | QSQ      | QMX      | QMD                  | QOD      | SS       | SO            | PS     | PM     | PO     |  |  |
|                                               |                   |                | Mil. bu. | Mil. bu. | Mil. lb. | Mil. lb. | Mil. bu. | Mil. lb. | Mil. lb.             | Mil. lb. | Mil. bu. | Mil. lb.      | \$/bu. | \$/ton |        |  |  |
|                                               |                   |                | (1)      | (2)      | (3)      | (4)      | (5)      | (6)      | (7)                  | (8)      | (9)      | (10)          | (11)   | (12)   | (13)   |  |  |
| U.S. production of soybeans                   | :QSS              | -100 mil. bu.  | 0        | -41.36   | -1.96    | -451.11  | -41.71   | -0.36    | -1.62                | -212.87  | -15.59   | -235.28       | 0.43   | 9.20   | 1.88   |  |  |
| Soybean exports to USSR                       | :QSR              | -37 mil. bu.   | 0        | 11.94    | .54      | 123.79   | 12.06    | .11      | .34                  | 59.54    | 10.91    | 64.87         | -1.10  | -1.80  | -53    |  |  |
| P.L. 480 oil increase                         | :QXPL             | -100 mil. lb.  | 0        | -2.69    | -.13     | -29.10   | 3.88     | -.02     | -.10                 | 33.58    | -1.15    | 37.41         | -.02   | .60    | -.31   |  |  |
| Livestock production in foreign countries     | :LW               | -5 percent     | 0        | 7.28     | .35      | 80.60    | -28.75   | -.46     | .81                  | 38.46    | 21.51    | 43.93         | -.14   | -4.40  | -.35   |  |  |
| U.S. livestock output                         | :LO               | -5 percent     | 0        | -7.59    | -.36     | -83.90   | -1.86    | .10      | -.48                 | -36.96   | 8.92     | -46.52        | -.02   | -2.30  | .35    |  |  |
| Current year farm prices                      | :                 |                |          |          |          |          |          |          |                      |          |          |               |        |        |        |  |  |
| all livestock                                 | :PL               | -5 percent     | 0        | -3.45    | -.16     | -37.23   | -.94     | -.01     | -.16                 | -16.65   | 4.38     | -20.24        | -.01   | -1.10  | .16    |  |  |
| Last year farm prices                         | :                 |                |          |          |          |          |          |          |                      |          |          |               |        |        |        |  |  |
| all livestock                                 | :PL <sub>-1</sub> | -5 percent     | -1.86    | -3.55    | -.16     | -37.29   | 5.67     | .07      | -.24                 | -25.85   | 0        | -30.73        | -.17   | -8.35  | .30    |  |  |
| U.S. real consumption expenditures            | :E                | -5 percent     | 0        | -8.22    | -.40     | -91.50   | 10.62    | -.07     | -.36                 | -281.21  | -3.18    | 189.79        | -.04   | 1.95   | -.81   |  |  |
| U.S. consumption of edible animal fats        | :QBL              | -10 percent    | 0        | 5.98     | .28      | 65.28    | -7.56    | .05      | .23                  | 213.37   | 1.48     | -147.68       | .04    | -1.20  | .62    |  |  |
| World supplies of other oilseed meals         | :OM               | -.8 mil. m.t.  | 0        | -2.26    | -.14     | -32.38   | 13.22    | .29      | -.52                 | -11.26   | -13.25   | -21.57        | .08    | 2.80   | .13    |  |  |
| U.S. consumption of other high protein feeds  | :QP               | -5 percent     | 0        | 4.53     | .21      | 47.68    | -.67     | -.10     | .30                  | 19.15    | -3.90    | 27.78         | .04    | 2.55   | -.19   |  |  |
| U.S. consumption of cottonseed oil & palm oil | :QCOD + QPOB      | -5 percent     | 0        | .54      | .02      | 5.84     | -.68     | .005     | .02                  | 19.02    | .14      | -13.15        | .002   | -.10   | .06    |  |  |
| Average import levy on corn                   | :D <sub>t</sub>   | -50¢/bu.       | 0        | 9.11     | .40      | 91.62    | -26.59   | -.23     | .54                  | 44.56    | 15.29    | 46.26         | -.12   | -3.00  | -.39   |  |  |
| Gross margin                                  | :W                | -10¢/bu.       | 0        | 4.72     | .23      | 52.63    | -8.76    | .03      | .20                  | 24.62    | 3.84     | 29.21         | .05    | -.80   | -.23   |  |  |
| Dollar depreciation in bean and meal markets  | :DEV              | -10 percent    | 0        | 3.79     | .17      | 38.89    | -6.43    | .03      | .09                  | 19.41    | 1.64     | 20.29         | -.21   | -8.19  | -.17   |  |  |
| Handling charges                              | :FOB              | -10¢/bu.       | 0        | 3.55     | .17      | 40.30    | .29      | .02      | .18                  | -2.62    | 0        | 44.49         | -.02   | -5.20  | -.15   |  |  |
| Dollar depreciation in soybean oil markets    | :DEV - 0          | -10 percent    | 0        | -5.67    | -.27     | -61.20   | 10.13    | -.53     | -.21                 | -27.59   | -4.46    | -33.13        | -.06   | 1.20   | -.78   |  |  |

1/ The impact multipliers presented in this table are not invariant with respect to the level of soybean stocks. They are reasonable approximations when soybean stocks are greater than 60 million bushels but less than 150 million bushels.

Table 9.--Economic forecasts and projections for the U.S. soybean economy

Model Run I

| Endogenous variable             | Code letter | Unit     | Average: 1954/55 to 1970/71 |       | Reported 1970/71 : 1971/72 | Preliminary estimates: 1972/73 |       | Model forecasts |        |        | Alternative forecasts |        |      |  |
|---------------------------------|-------------|----------|-----------------------------|-------|----------------------------|--------------------------------|-------|-----------------|--------|--------|-----------------------|--------|------|--|
|                                 |             |          | (1)                         | (2)   |                            | (3)                            | (4)   | (5)             | (6)    | (7)    | (8)                   | (9)    | (10) |  |
|                                 |             |          |                             |       |                            |                                |       |                 |        |        |                       |        |      |  |
| <u>Supply</u>                   |             |          |                             |       |                            |                                |       |                 |        |        |                       |        |      |  |
| U.S. production of soybeans     | QSS         | Mil. bu. | 1,054                       | 1,127 | 1,176                      | 1,283                          | 1,181 | 1,281           | 1,512  | 1,713  | 1,562                 | 1,462  |      |  |
| Total soybean crush             | QSC         | Mil. bu. | 470                         | 760   | 721                        | 735                            | 727   | 737             | 815    | 898    | 831                   | 794    |      |  |
| Soybean meal production         | QMP         | Bil. lb. | 22.2                        | 36.1  | 34.0                       | 34.0                           | 34.5  | 34.9            | 38.6   | 42.6   | 39.4                  | 37.6   |      |  |
| Soybean oil production          | QOP         | Mil. lb. | 5,091                       | 8,265 | 7,892                      | 7,685                          | 7,930 | 7,812           | 8,885  | 9,787  | 9,058                 | 8,659  |      |  |
| <u>Exports</u>                  |             |          |                             |       |                            |                                |       |                 |        |        |                       |        |      |  |
| Soybeans                        | QX2/        | Mil. bu. | 198                         | 434   | 417                        | 490                            | 415   | 483             | 605    | 722    | 620                   | 584    |      |  |
| Soybean meal                    | QMX         | Bil. lb. | 3.5                         | 9.1   | 7.6                        | 9.4                            | 8.1   | 8.6             | 9.3    | 10.8   | 9.4                   | 9.1    |      |  |
| Soybean oil                     | QOX3/       | Mil. lb. | 383.1                       | 1,742 | 1,388                      | 1,200                          | 1,389 | 1,269           | 1,650  | 1,900  | 1,650                 | 1,650  |      |  |
| <u>Domestic consumption</u>     |             |          |                             |       |                            |                                |       |                 |        |        |                       |        |      |  |
| Soybean meal                    | QMD         | Bil. lb. | 18.9                        | 26.9  | 26.2                       | 24.5                           | 26.4  | 26.4            | 29.3   | 31.7   | 29.9                  | 28.5   |      |  |
| Soybean oil                     | QOD         | Mil. lb. | 4,060                       | 6,253 | 6,449                      | 6,725                          | 6,481 | 6,820           | 6,901  | 7,616  | 6,980                 | 6,795  |      |  |
| <u>Ending stocks</u>            |             |          |                             |       |                            |                                |       |                 |        |        |                       |        |      |  |
| Soybeans, August 31             | SS          | Mil. bu. | 43                          | 99    | 72                         | 40                             | 66    | 50              | 50     | 85     | 67                    | 42     |      |  |
| Soybean oil, September 30       | SO          | Mil. lb. | 470                         | 773   | 785                        | 525                            | 833   | 556             | 890    | 1,075  | 983                   | 772    |      |  |
| <u>Prices</u>                   |             |          |                             |       |                            |                                |       |                 |        |        |                       |        |      |  |
| Soybeans (received by farmers): | PS          | \$/bu.   | 2.38                        | 2.85  | 3.03                       | 4.25                           | 3.02  | 4.12            | 3.78   | 3.50   | 3.62                  | 4.00   |      |  |
| Soybean meal (Decatur)          | PM          | \$/ton   | 66.40                       | 78.50 | 90.20                      | 225.00                         | 93.40 | 169.80          | 146.60 | 129.20 | 143.50                | 151.20 |      |  |
| Soybean oil (Decatur)           | PO          | ¢/lb.    | 10.5                        | 12.8  | 11.3                       | 14.0                           | 11.2  | 13.7            | 12.1   | 7.7    | 11.4                  | 13.0   |      |  |
| <u>Acres harvested</u>          |             |          |                             |       |                            |                                |       |                 |        |        |                       |        |      |  |
| Corn Belt                       | ACB         | Mil. ac. | 16.3                        | 21.8  | 22.3                       | 24.2                           | 22.5  | 23.4            | 25.9   | 28.5   |                       |        |      |  |
| Delta                           | AD          | Mil. ac. | 4.6                         | 8.7   | 8.6                        | 8.1                            | 8.6   | 8.9             | 9.6    | 11.7   |                       |        |      |  |
| Other regions                   | AM          | Mil. ac. | 2.1                         | 11.7  | 11.8                       | 13.5                           | 11.9  | 13.0            | 17.6   | 16.0   |                       |        |      |  |
| Total U.S.                      |             | Mil. ac. | 23.0                        | 42.2  | 42.7                       | 45.8                           | 43.0  | 45.3            | 53.1   | 56.2   |                       |        |      |  |

1/ These alternative demand estimates are derived by using other soybean production levels in lieu of the 1,512 million bushels by the most likely set of model assumptions. These alternatives were considered likely to cover most production possibilities in 1973/74.

2/ QX includes soybean exports to USSR as shown in table 5.

3/ QOX is treated as exogenous.

Table 10.--Regional effects on soybean harvested acres of 10-  
cent increase in prices received by farmers  
in the previous year

| Region                   | Soybeans | Corn   | Cotton |
|--------------------------|----------|--------|--------|
| -----Thousand acres----- |          |        |        |
| Lake <u>1</u> /          | 99       | -108   | ---    |
| Corn Belt <u>2</u> /     | 170      | -442   | ---    |
| Plains <u>3</u> /        | 107      | -168   | ---    |
| Delta <u>4</u> /         | 20       | ---    | -284   |
| Atlantic <u>5</u> /      | 108      | -176   | ---    |
| Other <u>6</u> /         | 120      | -160   | -759   |
| Total                    | 624      | -1,054 | -1,043 |

1/ Michigan, Wisconsin and Minnesota. 2/ Ohio, Indiana, Illinois, Iowa and Missouri. 3/ North Dakota, South Dakota, Nebraska and Kansas. 4/ Mississippi, Arkansas and Louisiana. 5/ Maryland, Delaware, Virginia, North Carolina and South Carolina. 6/ Tennessee, Kentucky, Alabama, Georgia and 6 other States.

\* \* \* \* \*

#### NOTE TO READERS

In view of June developments and government actions that would significantly affect the supply, disposition and prices of soybeans and products for the remainder of this marketing season, the release of the June issue of the FATS AND OILS SITUATION was postponed to July for clarification of some of these events.

Table 11.--Domestic disappearance of food and nonfood fats and oils, by end products, total and per person, year beginning October by quarters, with comparisons, 1970 to date

| Year and Quarter | Unit     | Food                   |                            |               |                                     |                        |                 |                     | Nonfood |                |          |       | All products (fat content) |
|------------------|----------|------------------------|----------------------------|---------------|-------------------------------------|------------------------|-----------------|---------------------|---------|----------------|----------|-------|----------------------------|
|                  |          | Butter (actual weight) | Mar-garine (actual weight) | Lard (direct) | Baking and frying fats (shortening) | Salad and cooking oils | Other edible 1/ | Total (fat content) | Soap 2/ | Drying oils 3/ | Other 4/ | Total |                            |
| 1970-71          |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Oct.-Dec.:       |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 306                    | 607                        | 265           | 907                                 | 822                    | 131             | 2,862               | 123     | 134            | 1,084    | 1,342 | 4,204                      |
| Per person       | Lb.      | 1.5                    | 3.0                        | 1.3           | 4.4                                 | 4.0                    | .6              | 13.9                | .6      | .7             | 5.3      | 6.5   | 20.4                       |
| Jan.-Mar.:       |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 273                    | 581                        | 245           | 891                                 | 773                    | 124             | 2,713               | 195     | 143            | 889      | 1,228 | 3,946                      |
| Per person       | Lb.      | 1.3                    | 2.8                        | 1.2           | 4.3                                 | 3.7                    | .6              | 13.2                | .9      | .7             | 4.3      | 6.0   | 19.1                       |
| Apr.-June:       |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 257                    | 536                        | 197           | 829                                 | 825                    | 123             | 2,608               | 205     | 151            | 1,007    | 1,363 | 3,971                      |
| Per person       | Lb.      | 1.2                    | 2.6                        | 1.0           | 4.0                                 | 4.0                    | .6              | 12.6                | 1.0     | .7             | 4.9      | 6.6   | 19.2                       |
| July-Sept.:      |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 239                    | 526                        | 240           | 887                                 | 812                    | 107             | 2,659               | 179     | 202            | 985      | 1,366 | 4,025                      |
| Per person       | Lb.      | 1.2                    | 2.5                        | 1.2           | 4.3                                 | 3.9                    | .5              | 12.8                | .9      | 1.0            | 4.8      | 6.6   | 19.4                       |
| Season:          |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 1,074                  | 2,250                      | 949           | 3,514                               | 3,232                  | 485             | 10,847              | 703     | 631            | 3,965    | 5,299 | 16,147                     |
| Per person       | Lb.      | 5.2                    | 10.9                       | 4.6           | 17.0                                | 15.6                   | 2.3             | 52.5                | 3.4     | 3.1            | 19.2     | 25.6  | 78.2                       |
| 1971-72 5/       |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Oct.-Dec.:       |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 300                    | 622                        | 197           | 882                                 | 831                    | 125             | 2,776               | 104     | 129            | 1,103    | 1,336 | 4,112                      |
| Per person       | Lb.      | 1.4                    | 3.0                        | .9            | 4.2                                 | 4.0                    | .6              | 13.4                | .5      | .6             | 5.3      | 6.4   | 19.8                       |
| Jan.-Mar.:       |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 255                    | 587                        | 202           | 859                                 | 872                    | 130             | 2,738               | 203     | 155            | 979      | 1,337 | 4,075                      |
| Per person       | Lb.      | 1.2                    | 2.8                        | 1.0           | 4.1                                 | 4.2                    | .6              | 13.1                | 1.0     | .7             | 4.7      | 6.4   | 19.6                       |
| Apr.-June:       |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 250                    | 553                        | 178           | 843                                 | 886                    | 111             | 2,660               | 220     | 153            | 1,015    | 1,389 | 4,048                      |
| Per person       | Lb.      | 1.2                    | 2.7                        | .9            | 4.0                                 | 4.2                    | .5              | 12.8                | 1.1     | .7             | 4.9      | 6.9   | 19.4                       |
| July-Sept.:      |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 246                    | 551                        | 202           | 879                                 | 924                    | 125             | 2,767               | 202     | 146            | 971      | 1,320 | 4,086                      |
| Per person       | Lb.      | 1.2                    | 2.6                        | 1.0           | 4.2                                 | 4.4                    | .6              | 13.2                | 1.0     | .7             | 4.6      | 6.3   | 19.6                       |
| Season:          |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 1,051                  | 2,313                      | 780           | 3,464                               | 3,512                  | 491             | 10,941              | 730     | 584            | 4,068    | 5,382 | 16,323                     |
| Per person       | Lb.      | 5.0                    | 11.1                       | 3.7           | 16.6                                | 16.9                   | 2.4             | 52.5                | 3.5     | 2.8            | 19.5     | 25.8  | 78.3                       |
| 1972-73 5/       |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Oct.-Dec.:       |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 297                    | 644                        | 214           | 918                                 | 883                    | 137             | 2,906               | 106     | 120            | 1,121    | 1,346 | 4,253                      |
| Per person       | Lb.      | 1.4                    | 3.1                        | 1.0           | 4.4                                 | 4.2                    | .7              | 13.9                | .5      | .6             | 5.3      | 6.4   | 20.3                       |
| Jan.-Mar.:       |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. | 260                    | 618                        | 176           | 883                                 | 964                    | 131             | 2,856               | 195     | 156            | 1,014    | 1,365 | 4,221                      |
| Per person       | Lb.      | 1.2                    | 2.9                        | .8            | 4.2                                 | 4.6                    | .6              | 13.6                | .9      | .7             | 4.8      | 6.5   | 20.1                       |
| Apr.-June:       |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Per person       | Lb.      |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| July-Sept.:      |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Per person       | Lb.      |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Season:          |          |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Total            | Mil. lb. |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |
| Per person       | Lb.      |                        |                            |               |                                     |                        |                 |                     |         |                |          |       |                            |

1/ Includes all food fats and oils used other than butter, lard, margarine, shortening and cooking and salad oils.

2/ Fat equivalent of soap used in synthetic rubber is included in "other industrial products". Adjusted for foreign trade and changes in stocks.

3/ Paints, varnishes, floor coverings, oilcloth, printing inks, core oils, synthetic resins, insulation, linings, packings, coated fabrics, caulking and other protective coatings.

4/ Includes use of fats and oils in chemicals, lubricants and greases, animal feeds, fatty acids, tin andterne plate, pharmaceuticals, leather, candles, synthetic organic detergents, toilet articles, and miscellaneous industrial products.

5/ Preliminary.

Table 12.--Fats and oils (including their products) and oilmeals: Production from domestic and imported materials, and factory and warehouse stocks at end of month

| Item                                                        | Production    |         |         |         |         |       |         | Stocks  |         |         |   |
|-------------------------------------------------------------|---------------|---------|---------|---------|---------|-------|---------|---------|---------|---------|---|
|                                                             | October-April |         | 1972    |         | 1973    |       |         | 1972    | 1973    |         |   |
|                                                             | 1971-72       | 1972-73 | Apr.    | Feb.    | Mar.    | Apr.  | Apr. 30 | Feb. 28 | Mar. 31 | Apr. 30 |   |
|                                                             | :             | :       | :       | :       | :       | :     | :       | :       | :       | :       | : |
| <u>Million pounds</u>                                       |               |         |         |         |         |       |         |         |         |         |   |
| PRIMARY FATS AND OILS                                       |               |         |         |         |         |       |         |         |         |         |   |
| <u>Food fats and oils</u>                                   |               |         |         |         |         |       |         |         |         |         |   |
| Butter (creamery)                                           | 667.0         | 595.0   | 110.2   | 84.4    | 90.6    | 93.7  | 128.5   | 109.5   | 116.6   |         |   |
| Lard (commercial)                                           | 1,016.5       | 798.0   | 138.5   | 96.0    | 113.0   | 100.0 | 80.7    | 44.5    | 49.3    | 49.2    |   |
| Beef fats                                                   | 305.0         | 310.3   | 41.9    | 34.8    | 41.3    | 33.7  | 36.4    | 43.9    | 31.8    | 28.3    |   |
| Total edible animal fats                                    | 1,988.5       | 1,703.3 | 290.6   | 215.2   | 244.9   | 227.4 | 245.6   | 197.9   | 197.7   |         |   |
| Corn oil                                                    | 277.4         |         | 40.0    | 41.7    | 46.3    |       | 72.1    | 65.9    | 66.7    | 78.3    |   |
| Cottonseed oil                                              | 965.4         |         | 110.2   | 152.0   | 163.4   |       | 294.8   | 239.1   | 212.7   | 221.3   |   |
| Palm oil                                                    | ---           | ---     | ---     | ---     | ---     | ---   | 78.3    | 118.0   | 110.4   | 81.5    |   |
| Peanut oil                                                  | 175.2         |         | 23.5    | 23.4    | 28.0    |       | 32.4    | 24.6    | 32.5    | 32.4    |   |
| Soybean oil                                                 | 4,682.0       |         | 646.7   | 676.8   | 680.8   |       | 952.7   | 966.5   | 920.5   | 988.3   |   |
| Safflower oil                                               | N.A.          | N.A.    | N.A.    | N.A.    | N.A.    | N.A.  | 26.3    | 36.2    | 33.7    | 26.5    |   |
| Total edible vegetable oils                                 | 6,100.0       |         | 820.4   | 893.9   | 918.5   |       | 1,456.6 | 1,450.3 | 1,376.5 | 1,428.3 |   |
| <u>Soap fats and oils</u>                                   |               |         |         |         |         |       |         |         |         |         |   |
| Tallow, inedible, and greases                               | 2,850.4       | 2,677.0 | 390.3   | 341.1   | 365.5   | 309.6 | 366.6   | 392.1   | 363.7   | 333.9   |   |
| Fish and marine oil <sup>1/</sup>                           | 34.3          | 30.1    | 4.0     | .4      | .7      | 5.5   | 54.2    | 47.6    | 47.5    | 47.0    |   |
| Coconut oil                                                 | D             | D       | D       | D       | D       | D     | 142.1   | 220.3   | 201.1   | 172.8   |   |
| Total soap fats                                             | 2,884.7       | 2,707.1 | 394.3   | 341.5   | 366.2   | 315.1 | 562.9   | 660.0   | 612.3   | 553.7   |   |
| <u>Drying oils</u>                                          |               |         |         |         |         |       |         |         |         |         |   |
| Castor oil <sup>1/</sup>                                    | N.A.          | N.A.    | N.A.    | N.A.    | N.A.    | N.A.  | 59.2    | 25.0    | 23.2    | 19.4    |   |
| Linseed oil                                                 | 257.8         |         | 36.1    | 25.1    | 26.5    |       | 280.9   | 224.1   | 177.3   | 153.2   |   |
| Tall oil                                                    | 775.3         | 775.8   | 119.8   | 111.3   | 133.0   | 120.0 | 173.2   | 164.3   | 170.5   | 179.9   |   |
| Tung oil                                                    | N.A.          | N.A.    | N.A.    | N.A.    | N.A.    | N.A.  | 43.2    | 38.4    | 35.7    | 34.9    |   |
| Total drying oils                                           | 1,033.1       |         | 155.9   | 136.4   | 159.5   |       | 556.5   | 451.8   | 406.7   | 387.4   |   |
| Grand total                                                 | 12,006.3      |         | 1,661.3 | 1,587.0 | 1,689.2 |       | 2,821.6 | 2,760.0 | 2,593.2 |         |   |
| From domestic materials                                     | 12,006.3      |         | 1,661.3 | 1,587.0 | 1,689.2 |       |         |         |         |         |   |
| From imported materials                                     | D             | D       | D       | D       | D       | D     |         |         |         |         |   |
| FAT-AND-OIL PRODUCTS                                        |               |         |         |         |         |       |         |         |         |         |   |
| <u>Cooking and salad oils</u>                               |               |         |         |         |         |       |         |         |         |         |   |
| Total                                                       | 2,135.4       | 2,252.0 | 321.3   | 314.1   | 367.9   | 304.8 | 145.8   | 88.8    | 88.8    | 92.7    |   |
| Soybean                                                     | 1,652.7       | 1,690.6 | 263.0   | 244.1   | 262.3   | 219.0 | 124.6   | 70.3    | 67.2    | 72.7    |   |
| Other                                                       | 482.7         | 561.4   | 58.4    | 70.0    | 105.6   | 85.9  | 21.2    | 18.5    | 21.5    | 20.0    |   |
| <u>Baking and frying fats (shortening)</u>                  |               |         |         |         |         |       |         |         |         |         |   |
| Total                                                       | 2,045.8       | 2,098.3 | 278.1   | 275.5   | 317.6   | 275.8 | 136.0   | 128.8   | 125.1   | 137.4   |   |
| 100% vegetable oil                                          | 1,367.8       | 1,485.9 | 189.4   | 187.3   | 220.0   | 197.3 | 109.3   | 99.5    | 97.9    | 112.2   |   |
| 100% animal fats or blends of vegetable oil and animal fats | 678.0         | 612.4   | 88.8    | 88.2    | 97.6    | 78.5  | 26.7    | 29.4    | 27.2    | 25.2    |   |
| <u>Margarine</u>                                            |               |         |         |         |         |       |         |         |         |         |   |
| Total                                                       | 1,403.1       | 1,454.5 | 181.3   | 191.5   | 198.4   | 184.3 | 82.6    | 80.2    | 70.1    | 66.6    |   |
| Soft                                                        | 306.5         | 360.0   | 44.2    | 50.8    | 51.1    | 48.4  | ---     | ---     | ---     | ---     |   |
| 1 pound units                                               | 1,220.8       | 1,283.7 | 158.0   | 168.6   | 176.5   | 163.5 | ---     | ---     | ---     | ---     |   |
| All other                                                   | 182.2         | 170.7   | 23.2    | 22.9    | 21.9    | 20.8  | ---     | ---     | ---     | ---     |   |
| <u>Fatty Acids</u>                                          |               |         |         |         |         |       |         |         |         |         |   |
| Glycerine (Natural and synthetic)                           | 193.8         | 206.9   | 29.5    | 27.0    | 31.4    | 28.2  | 48.3    | 48.4    | 47.4    | 47.4    |   |
| Meat Meal and Tankage                                       | 2,232.2       | 2,058.0 | 299.1   | 270.2   | 288.7   | 260.0 | ---     | ---     | ---     | ---     |   |
| <u>Oilseed cake and meal</u>                                |               |         |         |         |         |       |         |         |         |         |   |
| <u>Thousand tons</u>                                        |               |         |         |         |         |       |         |         |         |         |   |
| Soybean (including hull meal)                               | 10,177.1      |         | 1,387.2 | 1,523.1 | 1,507.3 |       | 218.0   | 210.0   | 206.3   |         |   |
| Cottonseed                                                  | 1,366.1       |         | 155.9   | 218.0   | 236.8   |       | 145.8   | 51.7    | 73.2    |         |   |
| Linseed                                                     | 234.3         |         | 32.9    | 24.8    | 24.7    |       | 12.0    | 5.4     | 6.3     |         |   |
| Peanut                                                      | 113.8         |         | 14.8    | 15.4    | 17.8    |       | 2.6     | 3.7     | 5.2     |         |   |
| Copra                                                       | D             |         | D       | D       | D       |       | D       | D       | D       |         |   |
| Other                                                       | 19.8          |         | D       | D       | D       |       | 20.5    | 7.5     | D       |         |   |
| Total oilmeals                                              | 11,911.1      |         | 1,590.8 | 1,781.3 | 1,786.6 |       | 398.9   | 278.3   | 291.0   |         |   |

<sup>1/</sup> Stocks include GSA stockpile

N.A.--Not available. D--Census disclosure.

SOURCE: Bureau of Census, except butter.

Table 13.--Imports and exports of fats, oils, oil-bearing materials,  
fat-and-oil products (in terms of oil) and oilmeals

| Item                                    | Imports for consumption |                |              |              |              | Exports <sup>1/</sup> |                |                |                |              |
|-----------------------------------------|-------------------------|----------------|--------------|--------------|--------------|-----------------------|----------------|----------------|----------------|--------------|
|                                         | Oct.                    | Apr.           | 1973         |              |              | Oct.                  | Apr.           | 1973           |                |              |
|                                         | 1971-72                 | 1972-73        | Feb.         | Mar.         | Apr.         | 1971-72               | 1972-73        | Feb.           | Mar.           | Apr.         |
|                                         | Million pounds          |                |              |              |              |                       |                |                |                |              |
| <b>Food fats and oils</b>               |                         |                |              |              |              |                       |                |                |                |              |
| Butter                                  | 1.7                     | 2.0            | .1           | .1           | .1           | 114.7                 | 4.0            | .1             | .1             | 2.7          |
| Lard                                    | .2                      | 2/             | ---          | ---          | ---          | 114.0                 | 89.2           | 4.9            | 7.2            | 10.7         |
| Beef fats                               | 2/                      | .3             | ---          | .1           | 2/           | 7.0                   | 15.9           | .8             | 1.1            | 1.5          |
| Total, edible animal fats               | 1.9                     | 2.3            | .1           | .2           | .1           | 235.7                 | 109.1          | 5.8            | 8.4            | 14.9         |
| Corn oil                                | ---                     | 2/             | ---          | ---          | ---          | 11.1                  | 12.2           | 1.4            | 2.1            | 1.7          |
| Cottonseed oil                          | ---                     | .2             | ---          | ---          | ---          | 266.8                 | 356.1          | 56.6           | 78.9           | 40.7         |
| Cottonseed (17 percent)                 | ---                     | ---            | ---          | ---          | ---          | .7                    | 2.6            | .3             | .9             | 1.1          |
| Olive oil, edible                       | 33.1                    | 26.6           | 3.6          | 4.4          | 5.2          | ---                   | ---            | ---            | ---            | ---          |
| Palm oil                                | 216.9                   | 205.5          | 65.7         | 25.2         | 26.5         | ---                   | ---            | ---            | ---            | ---          |
| Peanut oil                              | 2/                      | 2/             | 2/           | ---          | 2/           | 47.1                  | 57.0           | 6.6            | 10.2           | 9.3          |
| Peanuts, shelled (43.5 percent)         | ---                     | ---            | ---          | ---          | ---          | 77.7                  | 81.9           | 15.5           | 22.0           | 18.2         |
| Soybean oil                             | 2/                      | 2/             | ---          | 2/           | ---          | 768.1                 | 651.6          | 127.9          | 142.7          | 58.2         |
| Soybeans (18.3 percent)                 | 2/                      | 2/             | ---          | ---          | 2/           | 3,009.4               | 4,094.3        | 602.1          | 650.4          | 500.5        |
| Safflower seed (36 percent)             | ---                     | ---            | ---          | ---          | ---          | 39.4                  | 21.9           | .7             | 2.3            | ---          |
| Other vegetable oils                    | 14.2                    | 16.7           | 1.8          | 3.8          | 2.8          | 8.6                   | 2.9            | .4             | .3             | .7           |
| Total, edible vegetable oils            | 264.2                   | 249.0          | 71.1         | 33.4         | 34.5         | 4,228.9               | 5,280.5        | 811.5          | 909.8          | 630.4        |
| <b>Soap fats and oils</b>               |                         |                |              |              |              |                       |                |                |                |              |
| Tallow, inedible                        | 1.0                     | 3.2            | .1           | .1           | 2.6          | 1,340.6               | 1,337.5        | 170.5          | 222.6          | 169.1        |
| Greases                                 | 2/                      | .2             | ---          | .1           | 2/           | 106.7                 | 54.0           | 10.2           | 8.9            | 9.1          |
| Fish and fish liver oils non-medicinal  | 1.3                     | 2.9            | ---          | .2           | .3           | 75.9                  | 107.5          | 11.0           | 11.1           | .7           |
| Marine mammal oils                      | 17.4                    | 2/             | ---          | ---          | ---          | ---                   | ---            | ---            | ---            | ---          |
| Olive oil, inedible                     | .2                      | .1             | 2/           | ---          | 2/           | ---                   | ---            | ---            | ---            | ---          |
| Total, slow-lathering oils              | 19.9                    | 6.4            | .1           | .4           | 2.9          | 1,523.2               | 1,509.1        | 191.7          | 242.6          | 178.9        |
| Babassu oil                             | ---                     | ---            | ---          | ---          | ---          | ---                   | ---            | ---            | ---            | ---          |
| Coconut oil                             | 374.1                   | 444.7          | 112.5        | 70.9         | 36.7         | 17.4                  | 4.5            | .4             | .8             | 1.0          |
| Copra (64 percent)                      | 190.1                   | 181.8          | 15.1         | 34.2         | 18.0         | ---                   | ---            | ---            | ---            | ---          |
| Palm kernel oil                         | 57.7                    | 54.3           | 3.9          | 9.0          | 6.1          | ---                   | ---            | ---            | ---            | ---          |
| Total, lauric-acid oils                 | 621.9                   | 680.8          | 131.5        | 114.1        | 60.8         | 17.4                  | 4.5            | .4             | .8             | 1.0          |
| <b>Drying oils</b>                      |                         |                |              |              |              |                       |                |                |                |              |
| Flaxseed (36.1 percent)                 | 2/                      | 2/             | ---          | ---          | 2/           | 9.9                   | 103.6          | .7             | 1.0            | 2/           |
| Linseed oil                             | 2/                      | 2/             | ---          | ---          | 2/           | 25.2                  | 155.4          | 15.0           | 36.3           | 14.2         |
| Oiticica oil                            | 2.4                     | 1.7            | .7           | ---          | 2/           | ---                   | ---            | ---            | ---            | ---          |
| Tall oil                                | ---                     | ---            | ---          | ---          | ---          | 95.9                  | 84.9           | 4.1            | 15.0           | 8.5          |
| Tung oil                                | 12.9                    | 13.9           | 4.6          | .5           | ---          | 1.0                   | 1.1            | .1             | .1             | .1           |
| Total                                   | 15.3                    | 15.6           | 5.3          | .5           | 2/           | 132.0                 | 345.0          | 19.9           | 52.4           | 22.8         |
| <b>Other industrial oils and fats</b>   |                         |                |              |              |              |                       |                |                |                |              |
| Castor oil                              | 48.3                    | 51.9           | 8.1          | 9.7          | 6.9          | ---                   | ---            | ---            | ---            | ---          |
| Fish-liver oils, medicinal              | 4.7                     | 4.3            | .7           | .5           | .7           | ---                   | ---            | ---            | ---            | ---          |
| Rapeseed oil                            | 6.4                     | 7.7            | .8           | 1.7          | .6           | ---                   | ---            | ---            | ---            | ---          |
| Wool grease                             | 6.5                     | 5.0            | .8           | 1.0          | .7           | ---                   | ---            | ---            | ---            | ---          |
| Other vegetable oils and fats, inedible | 3.9                     | 5.4            | .8           | .9           | .5           | 74.4                  | 100.1          | 18.2           | 13.3           | 11.5         |
| Total                                   | 69.9                    | 74.3           | 11.2         | 13.8         | 9.4          | 74.4                  | 100.1          | 18.2           | 13.3           | 11.5         |
| <b>Products</b>                         |                         |                |              |              |              |                       |                |                |                |              |
| Margarine (fat content)                 | ---                     | ---            | ---          | ---          | ---          | 1.9                   | 1.7            | .2             | .2             | .3           |
| Shortening                              | ---                     | ---            | ---          | ---          | ---          | 12.0                  | 14.4           | 1.8            | 2.2            | 2.5          |
| Salad products (fat content)            | ---                     | ---            | ---          | ---          | ---          | 6.7                   | 6.1            | .8             | 1.0            | 1.0          |
| Soap (fat content)                      | 1.5                     | 1.8            | .1           | .8           | .2           | 5.4                   | 6.5            | .8             | 1.3            | 1.2          |
| Fatty acids                             | 2.8                     | 7.6            | .7           | 1.1          | 1.8          | 69.4                  | 58.9           | 5.7            | 14.4           | 7.7          |
| Total                                   | 4.3                     | 9.4            | .8           | 1.4          | 2.0          | 95.4                  | 87.6           | 9.3            | 19.1           | 12.7         |
| <b>Grand total</b>                      | <b>997.5</b>            | <b>1,037.9</b> | <b>219.9</b> | <b>163.9</b> | <b>109.9</b> | <b>6,307.1</b>        | <b>7,435.8</b> | <b>1,056.8</b> | <b>1,246.4</b> | <b>872.1</b> |
| Glycerine                               | .4                      | .5             | ---          | ---          | 2/           | 40.1                  | 33.2           | 4.6            | 5.0            | 5.2          |
| <b>Oilseed Cake and Meal:</b>           |                         |                |              |              |              |                       |                |                |                |              |
|                                         |                         |                |              |              |              |                       |                |                |                |              |
| Soybean                                 | ---                     | ---            | ---          | ---          | ---          | 2,348.2               | 3,190.4        | 495.0          | 504.8          | 411.9        |
| Cottonseed                              | .1                      | 2.7            | .2           | 1.3          | .5           | 5.1                   | 4.4            | 2/             | 1.2            | 1.4          |
| Linseed                                 | 1.8                     | 1.7            | .3           | .3           | .1           | 51.6                  | 39.3           | 7.6            | 10.1           | 3.3          |
| Copra                                   | ---                     | ---            | ---          | ---          | ---          | ---                   | ---            | ---            | ---            | ---          |
| Corn                                    | ---                     | ---            | ---          | ---          | ---          | 2.4                   | .5             | .1             | .1             | .2           |
| Other                                   | 5.0                     | 11.3           | 2.4          | 2.4          | 1.3          | 60.6                  | 35.7           | 6.7            | 4.6            | 5.0          |
| Total oilmeals                          | 6.9                     | 16.2           | 2.9          | 5.0          | 2.9          | 2,469.0               | 3,221.9        | 510.3          | 520.8          | 421.8        |

<sup>1/</sup> Includes re-exports and foreign donations but not shipments to U.S. Territories. <sup>2/</sup> Less than 50,000 pounds. <sup>3/</sup> Less than 50 tons.  
SOURCE: Bureau of Census.

Table 14.--Fats and oils (including their products) and oilmeals: Production from domestic and imported materials, and factory and warehouse stocks at end of month averages 1956-60 and 1961-65 and calendar years 1969-72

| Item                                                        | Production            |          |               |          |          |          | Stocks      |         |         |         |
|-------------------------------------------------------------|-----------------------|----------|---------------|----------|----------|----------|-------------|---------|---------|---------|
|                                                             | Average               |          | Calendar year |          |          |          | December 31 |         |         |         |
|                                                             | 1956-60               | 1961-65  | 1969          | 1970     | 1971     | 1972     | 1969        | 1970    | 1971    | 1972    |
| <b>PRIMARY FATS AND OILS</b>                                |                       |          |               |          |          |          |             |         |         |         |
|                                                             | <u>Million pounds</u> |          |               |          |          |          |             |         |         |         |
| <u>Food fats and oils</u>                                   |                       |          |               |          |          |          |             |         |         |         |
| Butter (creamery)                                           | 1,384.9               | 1,441.4  | 1,118.2       | 1,137.0  | 1,143.6  | 1,109.6  | 88.6        | 118.8   | 96.8    | 107.5   |
| Lard (commercial)                                           | 2,441.4               | 2,298.0  | 1,879.0       | 1,887.8  | 1,935.6  | 1,540.6  | 70.1        | 82.5    | 99.9    | 51.2    |
| Beef fats                                                   | 333.7                 | 501.1    | 540.9         | 569.3    | 545.8    | 551.3    | 45.9        | 46.7    | 41.3    | 45.3    |
| Total edible animal fats                                    | 4,160.0               | 4,240.5  | 3,538.1       | 3,594.1  | 3,624.9  | 3,201.5  | 204.6       | 248.0   | 238.0   | 204.0   |
| Corn oil                                                    | 301.4                 | 390.3    | 465.5         | 474.0    | 485.1    | 507.1    | 54.1        | 43.2    | 57.1    | 71.8    |
| Cottonseed oil                                              | 1,667.0               | 1,912.5  | 1,425.9       | 1,211.6  | 1,209.4  | 1,355.2  | 398.7       | 184.3   | 188.3   | 187.4   |
| Palm oil                                                    | ---                   | ---      | ---           | ---      | ---      | ---      | 35.0        | 42.9    | 39.9    | 93.5    |
| Peanut oil                                                  | 84.9                  | 104.9    | 188.2         | 196.4    | 280.6    | 257.3    | 14.3        | 15.3    | 16.2    | 21.1    |
| Soybean oil                                                 | 3,870.9               | 4,912.7  | 6,804.8       | 8,086.0  | 8,081.5  | 8,083.8  | 517.2       | 755.7   | 802.2   | 896.5   |
| Safflower oil                                               | ---                   | ---      | N.A.          | N.A.     | N.A.     | N.A.     | 39.6        | 19.9    | 29.1    | 43.2    |
| Total edible vegetable oils                                 | 5,924.2               | 7,432.8  | 8,884.4       | 9,968.0  | 10,056.6 | 10,203.5 | 1,056.9     | 1,061.3 | 1,132.8 | 1,313.5 |
| <u>Soap fats and oils</u>                                   |                       |          |               |          |          |          |             |         |         |         |
| Tallow, inedible, and greases                               | 3,212.6               | 4,103.7  | 4,655.0       | 4,876.8  | 4,967.7  | 4,834.3  | 346.0       | 396.1   | 379.7   | 341.3   |
| Fish and marine oil                                         | 189.9                 | 216.7    | 169.8         | 205.8    | 265.4    | 187.9    | 84.0        | 103.5   | 134.9   | 49.7    |
| Coconut oil                                                 | 440.3                 | 393.8    | 386.4         | 247.1    | D        | D        | 59.4        | 100.3   | 103.9   | 116.5   |
| Total soap fats                                             | 3,842.8               | 4,714.2  | 5,211.2       | 5,329.7  | 5,233.2  | 5,022.2  | 491.4       | 600.4   | 618.5   | 507.5   |
| <u>Drying oils</u>                                          |                       |          |               |          |          |          |             |         |         |         |
| Castor oil                                                  | 24.6                  | N.A.     | N.A.          | N.A.     | N.A.     | N.A.     | 122.6       | 115.2   | 69.4    | 27.1    |
| Linseed oil                                                 | 499.8                 | 412.2    | 291.9         | 314.5    | 412.1    | 439.7    | 128.8       | 148.5   | 224.9   | 253.6   |
| Tall oil                                                    | 714.7                 | 989.3    | 1,284.0       | 1,251.5  | 1,268.4  | 1,293.0  | 169.0       | 132.3   | 158.1   | 144.2   |
| Tung oil                                                    | 29.0                  | 21.4     | N.A.          | N.A.     | N.A.     | N.A.     | 54.9        | 47.1    | 44.7    | 34.0    |
| Total drying oils                                           | 1,268.1               | 1,422.9  | 1,575.9       | 1,566.0  | 1,680.5  | 1,732.7  | 475.9       | 443.1   | 497.1   | 458.9   |
| Grand total                                                 | 15,195.1              | 17,810.4 | 19,209.5      | 20,457.8 | 20,595.2 | 20,159.8 | 2,230.8     | 2,353.4 | 2,486.4 | 2,483.9 |
| From domestic materials                                     | 14,730.2              | 17,416.6 | 18,435.1      | 20,210.7 | 20,595.2 | 20,159.8 |             |         |         |         |
| From imported materials                                     | 464.9                 | 393.8    | 386.4         | 247.1    | D        | D        |             |         |         |         |
| <b>FAT-AND-OIL PRODUCTS</b>                                 |                       |          |               |          |          |          |             |         |         |         |
| <u>Cooking and salad oils</u>                               |                       |          |               |          |          |          |             |         |         |         |
| Total                                                       | 1,861.4               | 2,526.9  | 3,143.7       | 3,389.1  | 3,499.8  | 3,904.3  | 70.5        | 75.6    | 76.1    | 85.5    |
| Soybean                                                     | ---                   | ---      | 2,230.1       | 2,427.3  | 2,629.6  | 3,032.8  | 52.7        | 57.6    | 58.4    | 69.0    |
| Other                                                       | ---                   | ---      | 913.6         | 961.8    | 870.2    | 871.5    | 17.8        | 18.0    | 17.7    | 16.6    |
| <u>Baking and frying fats (shortening)</u>                  |                       |          |               |          |          |          |             |         |         |         |
| Total                                                       | 2,044.4               | 2,637.1  | 3,480.5       | 3,587.8  | 3,515.0  | 3,532.5  | 138.7       | 132.7   | 127.6   | 127.3   |
| 100% vegetable oil                                          | ---                   | ---      | 2,317.8       | 2,411.1  | 2,328.6  | 2,438.9  | 105.2       | 97.3    | 98.5    | 100.6   |
| 100% animal fats or blends of vegetable oil and animal fats | ---                   | ---      | 1,162.7       | 1,176.8  | 1,186.5  | 1,093.6  | 33.6        | 35.6    | 29.1    | 26.7    |
| <u>Margarine</u>                                            |                       |          |               |          |          |          |             |         |         |         |
| Total                                                       | 1,542.6               | 1,801.0  | 2,181.9       | 2,230.4  | 2,290.2  | 2,361.2  | 52.1        | 45.6    | 57.1    | 69.3    |
| Soft                                                        | ---                   | ---      | 356.0         | 422.1    | 480.7    | 542.3    | ---         | ---     | ---     | ---     |
| 1 pound units                                               | ---                   | ---      | 1,945.2       | 1,975.3  | 1,998.8  | 2,060.7  | ---         | ---     | ---     | ---     |
| All other                                                   | ---                   | ---      | 236.8         | 255.2    | 291.4    | 300.5    | ---         | ---     | ---     | ---     |
| <u>Fatty Acids</u>                                          | 580.1                 | 860.7    | 1,137.7       | 1,122.6  | 1,095.5  | 1,130.1  | 141.1       | 122.9   | 111.6   | 100.1   |
| <u>Glycerine</u> (Natural and synthetic)                    | ---                   | 301.0    | 348.2         | 333.9    | 325.5    | 343.4    | 62.4        | 50.3    | 48.1    | 49.5    |
| <u>Meat Meal and Tankage</u>                                | ---                   | 3,658.8  | 4,058.7       | 4,024.8  | 4,006.7  | 3,686.2  | ---         | ---     | ---     | ---     |
| <b>OILSEED CAKE AND MEAL</b>                                |                       |          |               |          |          |          |             |         |         |         |
|                                                             | <u>Thousand tons</u>  |          |               |          |          |          |             |         |         |         |
| Soybean (including hull meal)                               | 8,374.0               | 10,711.2 | 15,158.8      | 17,912.3 | 17,638.5 | 17,530.8 | 131.6       | 129.7   | 144.3   | 217.9   |
| Cottonseed                                                  | 2,295.4               | 2,658.5  | 2,001.8       | 1,726.3  | 1,720.6  | 1,923.8  | 74.9        | 85.8    | 93.1    | 50.0    |
| Linseed                                                     | 462.4                 | 376.1    | 257.9         | 280.2    | 368.7    | 406.0    | 2.4         | D       | 5.5     | 2.3     |
| Peanut                                                      | 62.4                  | 75.3     | 126.9         | 134.0    | 182.8    | 171.1    | 2.9         | 3.8     | 2.2     | 2.1     |
| Copra                                                       | 119.7                 | 109.5    | 113.0         | 73.4     | D        | D        | D           | D       | D       | D       |
| Other                                                       | 45.4                  | 56.2     | 106.5         | 91.5     | 52.7     | 43.9     | 22.6        | 13.8    | 24.8    | D       |
| Total oilmeals                                              | 11,359.3              | 13,986.8 | 17,764.9      | 20,217.7 | 20,075.6 | 20,075.6 | 234.4       | 233.1   | 269.9   | 272.3   |

1/ 1962-65 average.

2/ Stocks include GSA stockpile.

3/ 1965 only.

D Census disclosure.

N.A. Not available.

SOURCE: Bureau of Census, except butter.

Table 15.--Index numbers of wholesale prices of fats and oils

| Item                                                    | 1967 = 100 |      |          |       |       |  |
|---------------------------------------------------------|------------|------|----------|-------|-------|--|
|                                                         | April      |      | 1973     |       |       |  |
|                                                         | 1971       | 1972 | February | March | April |  |
| All fats and oils                                       | 121        | 112  | 119      | 137   | 142   |  |
| All fats and oils, except butter                        | 132        | 118  | 130      | 159   | 166   |  |
| Grouped by origin:                                      |            |      |          |       |       |  |
| Animal fats                                             | 122        | 113  | 118      | 138   | 141   |  |
| Vegetable oils, domestic                                | 117        | 117  | 121      | 136   | 142   |  |
| Vegetable oils, foreign                                 | 109        | 88   | 118      | 143   | 159   |  |
| Grouped by use:                                         |            |      |          |       |       |  |
| Butter                                                  | 102        | 101  | 101      | 101   | N.A.  |  |
| Lard                                                    | 144        | 134  | 134      | 186   | 192   |  |
| Lard, refined                                           | 120        | 113  | 135      | 155   | 153   |  |
| Food fats other than butter                             | 128        | 124  | 126      | 153   | 159   |  |
| Food fats other than butter and lard                    | 122        | 120  | 124      | 141   | 147   |  |
| All edible fats and oils                                | 114        | 112  | 114      | 127   | 129   |  |
| Soap fats                                               | 146        | 112  | 137      | 171   | 180   |  |
| Drying oils                                             | 90         | 94   | 121      | 144   | 154   |  |
| Other industrial                                        | 122        | 105  | 132      | 159   | 179   |  |
| All industrial                                          | 138        | 109  | 134      | 167   | 176   |  |
| Edible vegetable oils, grouped by degree of processing: |            |      |          |       |       |  |
| Crude                                                   | 120        | 119  | 123      | 139   | 145   |  |
| Refined                                                 | 125        | 121  | 120      | 132   | 136   |  |
| End products                                            | 119        | 121  | 122      | 127   | 126   |  |
| Margarine                                               | 119        | 122  | 122      | 122   | 124   |  |
| Shortening, 2 lb. tin                                   | 120        | 122  | 120      | 126   | 128   |  |
| Shortening, 440 lb. drum                                | 118        | 118  | 130      | 139   | 129   |  |

N.A.--not available.

Table 16.--Prices received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals

| Item                                                       | Unit      | May           |        | 1973   |        |        |
|------------------------------------------------------------|-----------|---------------|--------|--------|--------|--------|
|                                                            |           | 1971          | 1972   | March  | April  | May    |
|                                                            |           | -- Dollars -- |        |        |        |        |
| OILSEEDS                                                   |           |               |        |        |        |        |
| Copra, Philippines, f.o.b. Philippines                     | Short ton | ---           | ---    | 200.00 | 200.00 | 271.50 |
| Cottonseed, United States average                          | Short ton | ---           | ---    | 53.80  | ---    | ---    |
| Flaxseed, No. 1, Minneapolis                               | Bushel    | 2.72          | 2.80   | 4.75   | 4.90   | 5.11   |
| Flaxseed, United States average                            | Bushel    | 2.37          | 2.49   | 4.38   | 4.39   | 4.44   |
| Peanuts, United States average (farmers' stock)            | 100 lb.   | ---           | ---    | ---    | ---    | ---    |
| Peanuts, Virginias' No. 1, shelled, Va.-N.C. 1/            | 100 lb.   | 21.88         | 25.00  | 25.50  | 25.75  | 26.12  |
| Peanuts, Runners No. 1, shelled, Southeast 1/              | 100 lb.   | 21.12         | 24.75  | 24.62  | 25.38  | 25.00  |
| Peanuts, Spanish No. 1, shelled, Southeast 1/              | 100 lb.   | 21.50         | 24.88  | 24.68  | 25.38  | 26.12  |
| Peanuts, Spanish No. 1, shelled, Southwest 1/              | 100 lb.   | 21.75         | 25.00  | 24.62  | 25.62  | 26.25  |
| Soybeans, No. 1, Yellow, Chicago                           | Bushel    | 3.03          | 3.49   | 6.24   | 6.53   | 8.99   |
| Soybeans, No. 1, Yellow, Illinois country shipping points  | Bushel    | 2.99          | 3.47   | 6.18   | 6.59   | 8.96   |
| Soybeans, United States average                            | Bushel    | 2.85          | 3.35   | 6.05   | 6.14   | 8.27   |
| OILMEALS (bulk)                                            |           |               |        |        |        |        |
| Copra meal, 20 percent protein, Los Angeles                | Short ton | 80.00         | 80.00  | 95.00  | 95.00  | 95.00  |
| Cottonseed meal, 41 percent protein, Memphis               | Short ton | 68.80         | 72.25  | 134.75 | 134.20 | 207.80 |
| Cottonseed meal, 41 percent protein, Chicago               | Short ton | 81.30         | 84.90  | ---    | ---    | ---    |
| Cottonseed meal, 41 percent protein, Atlanta               | Short ton | 75.50         | 80.80  | 142.80 | 141.30 | 234.10 |
| Cottonseed meal, 41 percent protein, Ft. Worth             | Short ton | 78.75         | 81.30  | 132.60 | 133.60 | 200.60 |
| Fish meal, 60 percent protein, bagged, New York 2/         | Short ton | 170.00        | 181.80 | 420.00 | 407.50 | 465.00 |
| Fish meal, 60 percent protein, bulk, Los Angeles 3/        | Short ton | 147.40        | 142.80 | 360.00 | 348.75 | 390.00 |
| Linseed meal, 34 percent protein, Minneapolis              | Short ton | 57.75         | 74.50  | 157.10 | 140.00 | 181.80 |
| Linseed meal, 34 percent protein, New York                 | Short ton | 84.50         | N.A.   | N.A.   | N.A.   | N.A.   |
| Peanut meal, 50 percent protein, f.o.b. Southeastern mills | Short ton | 75.75         | 96.00  | ---    | ---    | ---    |
| Safflower meal, 20 percent solvent, San Francisco          | Short ton | 42.00         | 36.00  | 70.50  | 70.90  | 71.00  |
| Soybean meal, 44 percent protein, Chicago                  | Short ton | 84.25         | 101.40 | 206.50 | 209.80 | 321.20 |
| Soybean meal, 44 percent protein, Decatur                  | Short ton | 78.25         | 95.30  | 199.90 | 203.25 | 314.60 |
| Soybean meal, 44 percent protein, Atlanta                  | Short ton | 85.00         | 103.00 | 216.50 | 213.80 | 318.20 |
| Soybean meal, 44 percent protein, Memphis                  | Short ton | 78.30         | 95.00  | 209.10 | 207.90 | 314.10 |
| Soybean meal, 50 percent protein, Decatur 4/               | Short ton | 84.75         | 103.30 | 224.90 | 228.40 | 346.60 |
| Soybean meal, 50 percent protein, Memphis 4/               | Short ton | 88.70         | 106.80 | 232.50 | 233.60 | 344.60 |
| Soybean meal, 50 percent protein, Atlanta 4/               | Short ton | 95.80         | 112.20 | 237.75 | 235.60 | 347.90 |

1/ This price applies to peanuts for edible uses. 2/ Beginning July 1971, quoted as 65% protein, East Coast. 3/ Beginning January 1972, quoted as 65% protein. 4/ 49 to 50 percent protein. N.A.--not available.

Compiled from Chemical Marketing Reporter (Formerly OPD Reporter) Wall Street Journal, Chicago edition, reports of the Statistical Services, and the Consumer Marketing Service.

Table 17.--Wholesale and retail prices per pound for fats and oils

| Item                                                                         | May    |      | 1973  |       |      |
|------------------------------------------------------------------------------|--------|------|-------|-------|------|
|                                                                              | 1971   | 1972 | March | April | May  |
| -- Cents --                                                                  |        |      |       |       |      |
| <b>Wholesale Prices</b>                                                      |        |      |       |       |      |
| Butter, creamery, Grade A, (92-score) bulk, New York                         | 68.8   | 68.8 | 68.9  | N.A.  |      |
| Butter, creamery, Grade A, (92-score) bulk, Chicago                          | 67.8   | 67.7 | 64.2  | 61.6  | 61.0 |
| Butter, creamery, Grade A, (92-score) prints, San Francisco                  | 84.0   | 83.3 | 84.8  | N.A.  |      |
| Castor oil, dehydrated, tanks, New York                                      | 29.0   | 29.0 | 48.2  | 48.2  | N.A. |
| Castor oil, No. 1, Brazilian, tanks, imported, New York                      | 16.5   | 19.8 | 63.5  | 70.0  |      |
| Coconut oil, crude, tank cars, Pacific Coast, 1/                             | 13.1   | 10.1 | 14.5  | 16.9  | 20.0 |
| Coconut oil, crude, tanks, f.o.b. New York                                   | 14.1   | 10.9 | 15.6  | 17.9  | 21.0 |
| Coconut oil, refined, tanks, l.c.l., New York                                | 15.4   | 12.3 | 16.8  | 19.1  | 22.2 |
| Cod oil, spot, drums, New York                                               | ---    | 11.8 | 11.5  | 11.5  | 11.5 |
| Codliver oil, medicinal, U.S.P., barrels, New York                           | 22.8   | 22.8 | 23.7  | 23.7  | 23.7 |
| Corn oil, crude, tank cars, f.o.b. Midwest mills                             | 18.8   | 17.5 | 17.8  | 17.5  |      |
| Corn oil, crude, tanks, New York                                             | 19.1   | N.A. | N.A.  | N.A.  | N.A. |
| Corn oil, refined, tanks, New York                                           | 22.1   | 18.3 | 21.2  | 21.8  | 22.8 |
| Cottonseed oil, crude, tank cars, f.o.b., S.E. mills                         | 15.3   | 12.1 | 14.6  | N.A.  |      |
| Cottonseed oil, crude, tank cars, f.o.b., Valley                             | 15.0   | 12.4 | 14.2  | 15.3  | 17.3 |
| Cottonseed oil, crude, tank cars, f.o.b., Texas                              | 14.9   | 12.0 | 14.0  | N.A.  | N.A. |
| Cottonseed oil, refined, tanks, New York                                     | 19.1   | 16.7 | 18.6  | 20.0  | 21.5 |
| Degras, Lanolin technical, drums, New York                                   | 41.0   | 53.0 | 52.0  | 52.0  | 52.0 |
| Glycerine, synthetic, refined, 99.5%, tanks, delivered, New York             | 22.0   | 23.0 | 23.0  | 23.0  | 23.0 |
| Glycerine, natural, refined, USP. 99%, tanks, delivered, New York            | 21.6   | 22.6 | 22.6  | 22.6  | 22.6 |
| Grease, A white, tank cars, delivered Chicago                                | 6.9    | 7.0  | 10.1  | 10.8  |      |
| Grease, B white, delivered, Chicago                                          | 7.2    | 6.1  | 9.8   | 11.4  | 13.5 |
| Grease, yellow, delivered, Chicago                                           | 7.9    | 6.3  | 9.0   | 9.8   |      |
| Grease, white, choice, tanks, New York                                       | 7.9    | 7.2  | 10.2  | 12.1  | 14.7 |
| Grease oil, extra No. 1, drums, Chicago                                      | 14.3   | 15.2 | 15.2  | 15.2  | 15.2 |
| Lard, loose, tank cars, Chicago                                              | 10.8   | 10.4 | 14.5  | 15.0  |      |
| Lard, prime steam, tierces, Chicago                                          | 10.5   | 10.4 | 14.4  | 14.8  | 16.3 |
| Lard, refined, one and two pound prints, Chicago                             | 15.8   | 15.4 | 21.1  | 20.8  |      |
| Lard, refined, carlots, 50-lb. tins, Chicago                                 | N.A.   | N.A. | N.A.  | N.A.  |      |
| Linseed oil, raw, tank cars, Minneapolis                                     | 8.8    | 8.8  | 9.5   | 9.5   |      |
| Linseed oil, raw, tanks, New York                                            | 10.2   | 10.4 | 11.0  | 11.0  | 12.4 |
| Margarine, colored, delivered, Eastern U.S.                                  | 30.5   | 31.3 | 31.3  | 31.7  |      |
| Margarine, yellow, quarters, f.o.b., Chicago                                 | 20.8   | 23.8 | 25.8  | 26.2  | 26.2 |
| Margarine, white, domestic vegetable, Chicago                                | 19.5   | 22.5 | 25.0  | 25.5  | 25.5 |
| Menhaden oil, crude, tanks, f.o.b., Baltimore                                | 10.3   | 6.3  | 9.8   | 10.0  |      |
| Menhaden oil, light pressed, tanks, New York                                 | 10.5   | 10.5 | 10.2  | 10.2  | 10.2 |
| Oiticica oil, drums, f.o.b., New York                                        | 18.0   | 18.5 | 16.5  | 16.5  | 16.9 |
| Oiticica oil, tanks, New York                                                | 16.0   | 16.5 | 14.5  | 14.5  | 14.9 |
| Olive oil, imported, edible, drums, New York                                 | 39.3   | 42.7 | 42.7  | 42.7  | 42.7 |
| Palm oil, clarified, drums, f.o.b., New York                                 | 15.0   | 14.8 | 15.0  | 15.0  | 15.0 |
| Palm oil, clarified, tank wagons, f.o.b., New York                           | 12.5   | 11.3 | 9.8   | 9.8   | 9.8  |
| Peanut oil, crude, tank cars, f.o.b. S.E. mills                              | 17.4   | 18.0 | 18.0  | 18.6  | 20.0 |
| Peanut oil, refined, tanks, New York                                         | 20.6   | 21.3 | 20.9  | 21.7  | 23.0 |
| Rapeseed oil, refined (denatured), tanks, New York                           | 17.5   | 17.5 | 17.5  | 17.5  | 17.5 |
| Safflower oil, tanks, New York                                               | 18.4   | 18.4 | 19.6  | 19.6  | 19.6 |
| Safflower oil, edible, drums, New York                                       | 27.0   | 27.0 | 37.0  | 37.0  | 37.0 |
| Sesame oil, refined, drums, New York                                         | 39.0   | 39.0 | 39.0  | 39.0  | 39.0 |
| Shortening, all vegetable, hydrogenated, 440-lb. drums, New York             | 24.5   | 24.5 | 28.9  | 26.8  |      |
| Shortening, all vegetable, hydrogenated, 3 lb. tins, delivered, Eastern U.S. | 30.1   | 32.0 | 33.1  | 33.7  |      |
| Soybean oil, crude tank cars, f.o.b., Decatur                                | 11.4   | 11.4 | 13.9  | 15.0  | 17.1 |
| Soybean oil, refined, tanks, New York                                        | 13.0   | 13.0 | 15.5  | 16.8  | 18.3 |
| Soybean oil, clarified, tanks, New York                                      | 13.6   | 17.8 | 17.8  | 17.8  | 17.8 |
| Sperm oil, natural 45°, drums, New York                                      | 28.0   | 28.0 | 28.0  | 28.0  | 28.0 |
| Sperm oil, bleached, winter 45°, drums, New York                             | 29.0   | 29.0 | 29.0  | 29.0  | 29.0 |
| Tall oil, crude, tanks, works                                                | 3.8    | 3.8  | 4.2   | 4.2   | 4.2  |
| Tall oil, refined, tanks, works                                              | 8.5    | 8.5  | 8.5   | 8.5   | 8.5  |
| Tallow, edible, loose, Chicago                                               | 11.0   | 10.5 | 13.0  | 13.0  |      |
| Tallow, inedible, packers' prime, c.a.f. delivered, Chicago                  | 7.6    | 6.5  | 10.1  | 11.8  | 14.0 |
| Tallow, inedible, bleachable fancy, delivered, Chicago                       | 8.2    | 6.7  | 10.8  | 12.0  | 14.8 |
| Tallow, No. 1, inedible, delivered, Chicago                                  | 6.9    | 6.0  | 9.4   | 10.8  | 13.0 |
| Tallow, special, inedible, tanks, delivered, New York                        | 7.5    | 6.2  | 8.4   | N.A.  | N.A. |
| Tung oil, imported, drums, f.o.b., New York                                  | 26.0   | 15.5 | 15.5  | 15.5  | 17.1 |
| Tung oil, imported, tanks, New York                                          | 13.2   | 11.0 | 13.7  | 14.5  | 16.4 |
| Tung oil, domestic, tanks, f.o.b. mills                                      | 2/24.0 | N.A. | N.A.  | N.A.  | N.A. |
| <b>Retail prices 3/</b>                                                      |        |      |       |       |      |
| Butter                                                                       | 87.5   | 87.1 | 87.7  | 85.4  | 85.3 |
| Margarine                                                                    | 32.7   | 33.2 | 32.9  | 33.5  | 34.0 |
| Shortening                                                                   | 32.2   | 32.6 | 32.4  | 33.1  | 34.0 |
| Salad Dressing (Italian)                                                     | 81.8   | 82.0 | 82.0  | 82.0  | 82.6 |
| Peanut Butter                                                                | 65.3   | 67.4 | 68.4  | 68.6  | 76.9 |
| Cooking and Salad oils                                                       | 41.8   | 43.2 | 42.3  | 43.4  | 44.3 |

1/ Includes 1 cent import duty.

2/ Nominal.

3/ Leading cities. N.A.--not available.

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